

82-1062
w/82-991AFFIDAVIT

I, John N. McMahon, do swear that my written answers, dated May 10, 1982 and May 19, 1982, to the supplementary written inquiries of the Select Committee on Intelligence transmitted in letters dated May 3, 1982 and May 17, 1982, respectively, are true, accurate and complete to the best of my knowledge.

Date

June 1982

Signature

Notary

Commission Expires May 30, 1983

STAT

82-1007
cy1

Stenographic Transcript Of

ORIGINAL

HEARINGS

Before The

SELECT COMMITTEE ON INTELLIGENCE

UNITED STATES SENATE

**NOMINATION OF JOHN N. MCMAHON TO BE DEPUTY DIRECTOR OF
CENTRAL INTELLIGENCE**

Washington, D. C.

May 27, 1982

Alderson Reporting Company, Inc.

Official Reporters

400 Virginia Ave., S.W. Washington, D. C. 20024

Telephone: (202) 554-2345

1 NOMINATION OF JOHN N. MC MAHON TO BE DEPUTY DIRECTOR OF
2 CENTRAL INTELLIGENCE

3 - - -

4 Thursday, May 27, 1982

5 - - -

6 United States Senate,
7 Select Committee on Intelligence
8 Washington, D. C.

9 The Committee met, pursuant to notice, at 10:29 o'clock
10 a.m., in Room 5110, Dirksen Senate Office Building, the
11 Honorable Barry Goldwater (Chairman of the Committee)
12 presiding.

13 Present: Senators Goldwater (presiding), Moynihan (Vice
14 Chairman), Chafee, Wallop, Roth, Huddleston, Biden, Leahy
15 and Bentsen.

16 Also present: Rob Simmons, Staff Director; Abram
17 Shulsky, Minority Staff Director; Victoria Toensing,
18 Majority Counsel; Peter Sullivan, Minority Counsel; Dorteia
19 Roberson, Clerk of the Committee; and Professional Staff
20 Members.

21 - - -

22 The Chairman: The meeting will come to order.

23 The Senate Intelligence Committee meets in open session
24 today to consider the nomination of John N. McMahon to be
25 Deputy Director of Central Intelligence. With 31 years of

1 service in the Central Intelligence Agency, Mr. McMahon
2 certainly has the background to do a good job. I believe
3 that he is a top-notch professional who is highly regarded
4 within the Intelligence Community. His nomination should
5 have a positive effect on morale within this Community.

6 All of Mr. McMahon's working life has been spent at the
7 CIA where he accumulated a distinguished record. During
8 that time he served in all phases of CIA operations
9 including top jobs in electronic intelligence, technical
10 services, administration, operations and analysis.

11 John, you will have a tough job because you will be
12 replacing an unusual man in Admiral Inman whom I consider to
13 be one of the best intelligence officers I have ever known.
14 We were lucky to have Admiral Inman. Nonetheless, I am
15 pleased that someone with your qualifications and experience
16 has been nominated for this post.

17 You have been before us previously to testify on
18 different things, so you are no stranger to us. Yesterday
19 you testified before our Committee in closed session on a
20 number of sensitive intelligence issues which we could not
21 address in open session. You were very candid in that
22 session. I have no doubts that we can expect a good
23 relationship with you in the future as DDCI, to the benefit
24 of our people and of the country.

25 And John, would you please stand? You have to be sworn

1 in.

2 Raise your right hand.

3 Do you swear to tell the truth, the whole truth, and
4 nothing but the truth, so help you God?

5 Mr. McMahon: I do.

6 The Chairman: Please be seated.

7 I believe Senator Mathias would like to introduce you.
8 That will have no deleterious effect upon your nomination.

9 [General laughter.]

10 The Chairman: Mac, you can go ahead.

11 Senator Mathias: That is the first time that Senator
12 Goldwater has ever endorsed a note for me.

13 The Chairman: Well, that is all right. I will not say
14 any more.

15 You can introduce John.

16

17

18

19

20

21

22

23

24

25

1 STATEMENT OF THE HONORABLE CHARLES McC. MATHIAS, A
2 UNITED STATES SENATOR FROM THE STATE OF MARYLAND

3 Senator Mathias. Thank you, Mr. Chairman.

4 I think it is no secret to the Chairman or to other
5 members of the Committee that I personally have a strong
6 preference for professionalism in government service. I
7 think we do better in diplomacy when we have professional
8 diplomats. I think that in many of the highly technical
9 fields of government, professionals can do a better job
10 simply on the basis of training and experience and
11 maturity.

12 I would say, Mr. Chairman -- and this is a conclusion I
13 have come to somewhat painfully over a long period of
14 years -- that even in the Congress we do better with
15 professionals. But we do not always get them.

16 And so it is a particular pleasure to me to present to
17 the Committee, not to introduce to the Committee because you
18 already know him, but to present to the Committee a
19 professional.

20 My own knowledge of John McMahon goes back over a number
21 of years to my service on the Select Committee on
22 Intelligence, and prior to that, as a member of the
23 Intelligence Investigating Committee, when I served with the
24 Chairman. So I know him well, and I know he is a
25 professional and that he values the standard of excellence

1 which ought to characterize the Central Intelligence
2 Agency. That is not an agency in which we can either be
3 amateur or inadequate. It has to be professional, and it
4 has to be excellent, and John McMahon I think will strive to
5 maintain those kinds of standards. He has been a member of
6 the Agency since 1951, which goes back, John, I guess almost
7 to the period in which my wife was one of you.

8 And so in the intervening 30 years he has had an
9 opportunity to observe and participate and be a part of the
10 modern Agency, and I think that in itself will be an
11 enormous contribution, to provide a thread of continuity
12 which is so necessary in an agency as delicate and as
13 sensitive and as important as the CIA.

14 As the Chairman I am sure is aware, he already holds two
15 distinguished medals, the Intelligence Medal of Merit, the
16 Certificate of Distinction, and the Intelligence
17 Distinguished Service Medal.

18 Mr. McMahon is to be congratulated on having received
19 the President's nomination, the evidence of the President's
20 confidence in him, but I believe that President Reagan is
21 also to be congratulated in having the opportunity to work
22 with John McMahon and to have the benefit of his services
23 and his experience.

24 And so, Mr. Chairman, it is with great pleasure that I
25 do present him to the Committee as a distinguished citizen

1 of Maryland and as a distinguished American.

2 The Chairman: Thank you very much, Senator Mathias.

3 I can say to you, Mr. McMahon, that you could not have a
4 more qualified person introduce you. He was not the father
5 but the grandfather of this Committee and has for all the
6 years I have served in the Senate with him been a man deeply
7 interested in the intelligence family.

8 So we thank you, Senator Mathias, and publicly we thank
9 you for our new room.

10 Mr. McMahon: Mr. Chairman, I appreciate Senator
11 Mathias' contribution to this Committee, and I am very
12 grateful to him for taking the time to introduce me.

13 The Chairman: I think Senator Moynihan has some
14 remarks.

15 Senator Mathias: You are on your own.

16 Mr. McMahon: Thank you, Senator.

17 The Chairman: Pat?

18 Senator Moynihan: Mr. Chairman, I have a statement
19 which I would ask to be included in the record.

20 The Chairman: Without objection.

21 [The prepared statement of Senator Moynihan follows:]

22

23

24

25

6

Draft Statement of Senator Daniel Patrick Moynihan (D.-N.Y.)
at the hearings on
the Nomination of John N. McMahon
to be Deputy Director of Central Intelligence

Mr. Chairman, I would like to join you in welcoming Mr. McMahon to our public hearing on his nomination to be Deputy Director of Central Intelligence. I share your admiration for the distinguished record of service to his country which Mr. McMahon has compiled during his thirty years with the Central Intelligence Agency. During this period, he has won 5 significant awards and has served in leadership positions in all four directorates of the CIA, as well as in the Intelligence Community staff. He comes before us as highly-qualified a candidate for the position for which he has been nominated as we are ever likely to see.

The confirmation process is important not only because it gives the Senate a chance to make an independent evaluation of the qualifications of the nominee, but also because it offers a major opportunity for the exercise of the Congressional oversight function. Nomination hearings enable us to take stock of where we have been and where we are headed. During my 5 1/2 years on the Select Committee, we have concentrated on two major tasks.

-2-

First, we have established mechanisms for Congressional oversight. Second, we have tried to provide the resources necessary for the rebuilding of our intelligence capabilities.

In today's hearing, Mr. McMahon will tell us what he sees as the current state of intelligence and its requirements for the future. Also, we shall question him on his views on Congressional oversight.

A proper oversight relationship demands that the Director of Central Intelligence and his Deputy be willing to provide this Committee with the information it needs in a forthright and candid manner. During the hearings on the nomination of William J. Casey to be Director of Central Intelligence, I asked him a question that we might ask of all nominees for that position, and for the Deputy Directorship, as well. I put the matter as follows:

How do you feel about telling the Committee things we need to know (that) you would just as soon not more than two people in the world knew?

Mr. Casey responded as follows:

Well, Senator, I intend to comply fully with the spirit and the letter of the Intelligence Oversight Act. I intend to provide this Committee with the information it believes it needs for oversight purposes. I believe the detailed implementation of that general intention is something we will work out as we go along....I cannot conceive now of any circumstances

-3-

under which [questions of the President's Constitutional authority] would result in my not being able to provide this Committee with the information it requires. I would obviously have to be subject to and discuss with the President any particular situations which I cannot now foresee, and I would do that in a way that this Committee would know about.

I am confident that Mr. McMahon's response will be equally satisfactory.

Mr. Chairman, in welcoming Mr. McMahon to this hearing, we are in a sense welcoming an old friend, since he has appeared before us on numerous occasions during the six years the Committee has been in existence. I have every confidence that our relationship in the future will be as open and beneficial as it has been in the past.

1 Senator Moynihan: As you know, yesterday we had a very
2 extensive and intensive private hearing and to some extent
3 we will be going over that material again today, but I would
4 just want again to welcome Mr. McMahon, as we have se
5 frequently done in our Committee, to say to him as he will
6 recall, that we have felt two principal tasks in the last
7 six years, the first being to establish the mechanism of
8 Congressional oversight of the Intelligence Community,
9 something that had not existed but which we bow feel does;
10 and secondly, to provide the resources for a Community that
11 had been running down for a long period, which we think we
12 have done.

13 We would like to hear from you today, and I am sure we
14 will, on your sense of the present state of American
15 intelligence, having especially in mind that it is on your
16 community more than any other, it is exclusively on your
17 community that the United States will rely for the
18 verification of any arms, nuclear arms reduction or control
19 agreements we reach with the Soviets; and secondly, your
20 judgments about the future needs of the Community which you
21 have served with such great distinction, 31 years, and if I
22 dare correct the Senator from Maryland, five department
23 awards.

24 Thank you, Mr. Chairman.

25 The Chairman: Thank you.

1 Are there statements by any other members?

2 Senator Huddleston: Mr. Chairman, I have a statement I
3 also would like put into the record, and I would just
4 indicate here, this is one of the few times that we have an
5 opportunity to conduct our business in public, and we are
6 fortunate to have a witness who has had some 30 years
7 experience in the Intelligence Community. I think all of us
8 have some concern as to the direction we are headed as far
9 as intelligence operations are concerned and the
10 responsibilities of this particular Committee. So I hope we
11 • have an opportunity to explore some of those areas as we
12 proceed today, and I would ask unanimous consent that my
13 full statement be included in the record.

14 The Chairman: That will be done.

15 Senator Huddleston: Okay. Thank you.

16 [The prepared statement of Senator Huddleston follows:]

17

18

19

20

21

22

23

24

25

8

~~DEPT~~ OPENING STATEMENT

TODAY'S HEARING IS ONE OF THE FEW OPPORTUNITIES WE HAVE TO CONDUCT OUR BUSINESS IN PUBLIC. SO I THINK WE HAVE A DUTY TO DISCUSS SOME OF OUR CONCERNS ABOUT THE INTELLIGENCE COMMUNITY. ON THESE ISSUES MR. MCMAHON CAN SPEAK NOT ONLY AS NOMINEE FOR DEPUTY DCI, BUT ALSO AS THE CURRENT CIA EXECUTIVE DIRECTOR WITH THIRTY YEARS' EXPERIENCE IN THE AGENCY.

THIS NOMINATION COMES AT A TIME OF INCREASING UNEASINESS ABOUT WHERE THE INTELLIGENCE COMMUNITY IS GOING. IF THERE IS ONE THING THIS COMMITTEE HAS TRIED TO DO, IT IS TO KEEP INTELLIGENCE FREE FROM PARTISAN OR IDEOLOGICAL BIAS.

WE MUST BE A WATCHDOG TO MAKE SURE THAT INTELLIGENCE OPERATIONS SERVE THE NATIONAL INTEREST. WE MUST BE ALERT TO THE DANGER THAT AN ADMINISTRATION MAY SEEK TO DISTORT INTELLIGENCE REPORTS OR SLANT INTELLIGENCE ANALYSIS.

EQUALLY IMPORTANT IS OUR MANDATE TO PROTECT CONSTITUTIONAL RIGHTS AND OTHER BASIC PRINCIPLES OF OUR FREE SOCIETY.

-2-

WE NEED TO MONITOR THE SAFEGUARDS THAT KEEP U.S. INTELLIGENCE ACTIVITIES FROM VIOLATING THE RIGHTS OF OUR OWN CITIZENS. AND WE SHOULD ALSO TRY TO STRIKE A PROPER BALANCE BETWEEN SECRECY AND THE PUBLIC'S RIGHT TO KNOW.

ON MANY OF THESE COUNTS I BELIEVE WE MUST INCREASE THE VIGILANCE OF OUR OVERSIGHT EFFORTS. NO SINGLE EVENT LEADS ME TO THIS CONCLUSION. RATHER, IT IS A SERIES OF ISSUES WHICH, TAKEN TOGETHER, MAKE THE PROSPECTS MORE DISTURBING.

IN JUNE OF 1981 THE ATTORNEY GENERAL RE-ASSERTED THE OLD CLAIMS OF SO-CALLED "INHERENT POWER" OF THE PRESIDENT TO JUSTIFY FBI INTELLIGENCE SEARCHES IN THIS COUNTRY WITHOUT A JUDICIAL WARRANT.

IN SEPTEMBER, THE ATTORNEY GENERAL REVOKED JUSTICE DEPARTMENT GUIDELINES ADOPTED AFTER THE SUPREME COURT DECISION IN THE SNEPP CASE TO LIMIT THE RISKS OF UNJUSTIFIED CENSORSHIP.

IN DECEMBER, THE PRESIDENT ISSUED HIS NEW EXECUTIVE ORDER ON INTELLIGENCE ACTIVITIES. IT WIDENED CIA'S AUTHORITY TO

-3-

OPERATE IN THE UNITED STATES TO COLLECT FOREIGN INTELLIGENCE ABOUT AMERICAN CITIZENS WHO ARE INNOCENT OF ANY CRIME AND ARE NOT SUSPECTED OF BEING FOREIGN AGENTS.

THE PRESIDENT ALSO ORDERED INTELLIGENCE AGENCIES TO REVISE THEIR PROCEDURES FOR COLLECTING INFORMATION ABOUT AMERICAN CITIZENS BY SUCH INTRUSIVE METHODS AS WIRETAPPING ABROAD AND INFILTRATION OF DOMESTIC ORGANIZATIONS.

IN APRIL OF THIS YEAR, ANOTHER EXECUTIVE ORDER ON NATIONAL SECURITY INFORMATION ELIMINATED THE "IDENTIFIABLE DAMAGE" STANDARD FOR CLASSIFICATION AND THE REQUIREMENT TO TAKE INTO ACCOUNT THE PUBLIC'S NEED FOR INFORMATION.

THERE HAVE ALSO BEEN TROUBLING REPORTS OF POSSIBLE PROPOSALS FOR A NEW COUNTERINTELLIGENCE ORGANIZATION WITH AUTHORITY OVER BOTH THE FBI AND CIA.

THESE ARE SOME OF THE REASONS FOR CONCERN ABOUT THE DIRECTION THE INTELLIGENCE COMMUNITY IS TAKING.

-4-

THEY MAY REQUIRE MORE THAN CONGRESSIONAL OVERSIGHT TO MAKE SURE THE COMMUNITY STAYS ON TRACK.

FOR EXAMPLE, SOME OF US HAVE JOINED IN CO-SPONSORING SENATOR DURENBERGER'S BILL TO PREVENT THE NEW CLASSIFICATION ORDER FROM LEADING TO EXCESSIVE GOVERNMENT SECRECY.

I THINK IT MAY ALSO BE TIME TO RECONSIDER SOME OF THE INTELLIGENCE CHARTER ISSUES WE SET ASIDE TWO YEARS AGO. IT MIGHT MAKE SENSE TO THINK ABOUT ENACTING SOME BASIC PRINCIPLES INTO LAW, BASED ON OUR EXPERIENCE WITH THE NEW EXECUTIVE ORDER ON INTELLIGENCE.

WE NEED A PERMANENT FRAMEWORK FOR U.S. INTELLIGENCE ACTIVITIES THAT PROVIDES GENERAL STANDARDS FOR OPERATIONS IN THIS COUNTRY AND THAT DOES NOT CHANGE EVERY TIME A NEW PRESIDENT TAKES OFFICE. IT COULD PROTECT THE RIGHTS OF AMERICANS, AND IT COULD HELP KEEP THE INTELLIGENCE COMMUNITY OUT OF POLITICS.

1 Senator Roth: Thank you, Mr. Chairman. I, too, have a
2 statement that I would ask to be included in the record.

3 Mr. McMahon, first, I think we are very fortunate in
4 having an individual of your background assume this position
5 of responsibility.

6 I would just like to say that it seems to me you are
7 coming to this job at a time when our intelligence services
8 are rebuilding from years of making do with too little
9 resources, but I am concerned lest we lose the consensus
10 that has been built in this nation in support of our
11 intelligence and defense capabilities.

12 It seems to me extraordinarily important that the CIA
13 not be seen by the people of this country as a threat to
14 their freedoms and liberties; rather, the intelligence
15 agencies must be seen for what they are, the guardians of
16 our security, the unbiased advisors of our policymakers, so
17 that I think someone like yourself, a career intelligence
18 officer in a position of leadership at CIA, can help to
19 bring a public realization of the contribution the CIA makes
20 to this nation.

21 Again, I think we are fortunate to have you here.

22 Mr. McMahon: Thank you, sir.

23 The Chairman: Senator Leahy?

24 Senator Leahy: Mr. Chairman, I will try to be very
25 brief. I, like everybody else on this Committee, we were

1 sorry to see Admiral Inman leave, and I know that is also a
2 feeling that the designee shares with us, again, an
3 exceptional and uncommonly bright members of the
4 Intelligence Community. I accept very much the reasons that
5 Admiral Inman has given for leaving, and I understand them.

6 I think the one thing that has ameliorated the regret
7 that each of us has had is that the President has appointed
8 you as Admiral Inman's replacement. I think that I also
9 concur that this is an area where amateurs should not tread,
10 and professionalism is absolutely called for, is needed,
11 desperately needed. And certainly I cannot think of anyone
12 within the Agency whose background or professionalism could
13 begin to match yours, or anybody better to take from the
14 Agency for the position.

15 I know earlier, Mr. Chairman, in earlier sessions on
16 this, I had had only one real question that I had asked, and
17 it is one that I would ask of any nominee either for
18 Director of CIA or Deputy Director of CIA, and that is would
19 they make sure that this Committee was not only kept fully
20 informed, but if this Committee was given erroneous
21 information and they were aware of it, would they come
22 before us and correct it? Mr. McMahon's answers have
23 totally satisfied the concerns that I had on that question.
24 As I said, I will ask that question of any nominee now or in
25 the future coming before us, and his answer reflected the

1 professionalism that we would expect, that indeed, he would
2 correct it. That is consistent with the -- it is consistent
3 with the way you have been before us before.

4 I agree with the Senators before me that this is one of
5 the rare times we are in open session, and most of the
6 people here never get a chance to hear you testify. I have
7 found your testimony to be good, direct, straightforward. I
8 see no reason why it would be otherwise.

9 And Mr. Chairman, I commend you for having these
10 hearings, but I would not have to consult Jimmy the Greek to
11 be able to predict what the outcome will be.

12 Thank you.

13 Mr. McMahon: Thank you, Senator.

14 The Chairman: John, you may make your statement.

15

16

17

18

19

20

21

22

23

24

25

1 TESTIMONY OF JOHN N. MC MAHON, NOMINEE TO BE DEPUTY
2 DIRECTOR OF CENTRAL INTELLIGENCE

3 Mr. McMahon: Thank you, Mr. Chairman.

4 Members of the Select Committee on Intelligence, I am
5 honored to appear before you today to discuss my nomination
6 to be Deputy Director of Central Intelligence. I appreciate
7 the President's expression of confidence in me, and I
8 approach this new challenge with enthusiasm and
9 determination.

10 I have, as you know, served our nation as an
11 intelligence officer for over thirty years. I feel
12 fortunate to have had a varied, rewarding and constantly
13 challenging career, permitting me to serve in all phases of
14 intelligence, from operations to analysis, from research and
15 development of technical collection systems to
16 administration. Let me briefly review it for the
17 Committee.

18 I began my career with the Agency as a clerk in 1951.
19 After serving overseas for five years, I returned for basic
20 training in the Army and I then joined the U-2 program. In
21 1965 I became Deputy Director for the Agency's Office of
22 Special Projects which was concerned with applying the
23 latest in advanced technology to major intelligence
24 collection problems. Later I served as Director of the
25 Office of Electronic Intelligence, and then as Director of

1 the Office of Technical Service, responsible for technical
2 support to our overseas operations.

3 In 1974 I became Associate Deputy Director of CIA for
4 Administration. I then served as Associate Deputy and as
5 Acting Deputy to the DCI for the Intelligence Community
6 until being appointed Deputy Director of CIA for Operations
7 in January of 1978. In this capacity I directed the
8 Agency's overseas operations. In April of 1981 I became
9 Deputy Director for National Foreign Assessment, responsible
10 for directing analysis and production of intelligence. I
11 served in that capacity until January of this year when I
12 was appointed as the Agency's Executive Director,
13 responsible for the day-to-day management of CIA.

14 My assignments, many of which involved joint programs
15 with the military, have given me both a detailed knowledge
16 of the Central Intelligence Agency and a substantial
17 appreciation of military requirements and intelligence
18 needs. My two years with the Intelligence Community Staff
19 provided me with an in-depth understanding of all national
20 programs, military and civilian, the priority of
21 intelligence requirements associated with those programs,
22 and the best means of satisfying intelligence needs for the
23 policymakers as well as our military commanders in the
24 field.

25 When I joined the Agency in 1951, Mr. Chairman, we lived

1 in an essentially bipolar world. In those days our
2 adversary was obvious, our mission was clear, and our
3 efforts were focused accordingly. The United States worked
4 to build the democratic institutions and economic
5 capabilities of its friends while the Soviet Union strove to
6 subvert our efforts. The risk of atomic catastrophic was
7 just then beginning to become a factor in the struggle
8 between freedom and totalitarianism. We focused
9 intelligence resources on the Soviet Union and its allies,
10 and we analyzed world events mainly in terms of their effect
11 on the East-West balance of power.

12 As we move through the 1980s and beyond, it is clear
13 that the intelligence mission must be geared to threats
14 which are increasingly varied, subtle and complex. We can
15 never take for granted our ability to accurately assess the
16 military capabilities and intentions of our key adversaries,
17 and the Soviet Union must remain our first intelligence
18 priority. At the same time, we should also ensure that we
19 appreciate fully the broad range of political, economic,
20 social and religious forces whose interaction will shape
21 world events and influence the destiny of our country.
22 Finally, we should never set aside the importance of more
23 traditional causes of international conflict such as
24 irredentism and national pride.

25 The ability of the Intelligence Community to provide

1 national policymakers with timely, accurate and insightful
2 information they need to advance American interests in the
3 world requires that we constantly strive to improve our
4 capabilities to collect the right kind of information, to
5 analyze it effectively, and to present it in a relevant and
6 useful manner.

7 We are encouraged that the mutual determination of the
8 President and the Congress to restore the vitality of our
9 nation's Intelligence Community is helping us translate
10 these goals into reality. As we do so, however, I would
11 like to emphasize for the record that the activities of the
12 Intelligence Community involving Americans are and must
13 continue to be limited, subject to strict standards of
14 accountability, and far removed from any abridgement of
15 cherished constitutional rights.

16 I am firmly convinced that congressional oversight is
17 beneficial both for the American people and for the
18 intelligence. The oversight system serves two key
19 purposes. First, it assures the American people that
20 activities which are of necessity undertaken in secret are
21 being monitored by their elected representatives. Second,
22 it assures the intelligence officers who undertake those
23 activities that the Congress and the American people stand
24 behind and support them in their difficult and often
25 dangerous assignments.

1 The oversight arrangements which have developed and
2 matured over the past several years have also served to
3 enhance congressional understanding of the intelligence
4 mission and of the need for the long range commitment of
5 resources to meet the challenges which lie ahead. The
6 cumulative impact of the annual authorization of
7 appropriations for intelligence activities by this Committee
8 and its counterpart in the House of Representatives, the
9 review conducted in great detail by the Appropriations
10 Committees, and the statutory obligation to keep the two
11 Intelligence Committees fully and currently informed has
12 made the Congress an active partner in our nation's
13 intelligence activities.

14 This is as it should be, and I pledge to you that if
15 confirmed I will make every effort to foster and improve
16 this vital relationship.

17 Mr. Chairman, that concludes my prepared remarks. I
18 would be pleased to answer any questions which you and the
19 members of the Committee may have.

20 The Chairman: Thank you, Mr. McMahon.

21 Before we start the questioning, I have a few insertions
22 to make.

23 Rule 5.6 of the Rules of Procedure for our Committee
24 states that "No nomination shall be reported to the Senate
25 unless the nominee has filed a background and financial

1 disclosure statement with the Committee."

2 John McMahon has filed both of these statements with the
3 Committee. Copies of these statements are available to
4 Senators in Tab D of their briefing books, and I ask that
5 the unclassified sections of these statements be inserted
6 into the record of this hearing.

7 Senator Moynihan: Mr. Chairman, could I ask you to
8 yield long enough to state that if anyone would like to know
9 what it means to be a professional career intelligence
10 officer in this country, they would do well to read the
11 financial disclosure statement of Mr. McMahon, which
12 consists of 30 blank pages.

13 [General laughter.]

14 Mr. McMahon: There's a tin cup at the end of that, Mr.
15 Moynihan.

16 [General laughter.]

17 Senator Moynihan: I will not put this in the record,
18 but it does disclose he has some household effects.

19 [General laughter.]

20 [The information referred to follows:]

21

22

23

24

25

RULE 5.6 OF THE RULES OF PROCEDURE FOR THE SELECT COMMITTEE
ON INTELLIGENCE STATES THAT:

"NO NOMINATION SHALL BE REPORTED TO THE SENATE UNLESS
THE NOMINEE HAS FILED A BACKGROUND AND FINANCIAL
DISCLOSURE STATEMENT WITH THE COMMITTEE."

JOHN McMAHON HAS FILED BOTH OF THESE STATEMENTS WITH THE
COMMITTEE. COPIES OF THESE STATEMENTS ARE AVAILABLE TO SENATORS
IN TAB D OF THEIR BRIEFING BOOKS.

I ASK UNANIMOUS CONSENT THAT THE UNCLASSIFIED SECTIONS OF
THESE STATEMENTS BE INSERTED INTO THE RECORD OF THIS HEARING.

(STATEMENTS ATTACHED)

SENATE SELECT COMMITTEE ON INTELLIGENCE
QUESTIONNAIRE FOR COMPLETION BY
PRESIDENTIAL NOMINEES

A. BIOGRAPHICAL INFORMATION

1. NAME: McMahon John Norman
(LAST) (FIRST) (MIDDLE)

2. FORMER NAME(S) USED, IF ANY: N/A

3. DATE OF BIRTH: 3 / July / 1929
(DAY) (MONTH) (YEAR)

4. SPOUSE'S NAME: Hugger Margaret Joan
(LAST) (FIRST) (MIDDLE)

5. FORMER NAME(S) USED BY SPOUSE, IF ANY N/A

6. NAME AND YEAR OF BIRTH
OF CHILDREN:

<u>Patricia Joy</u>	<u>28</u>
<u>Christopher John</u>	<u>27</u>
<u>Timothy Richard</u>	<u>23</u>
<u>Peter Collins</u>	<u>18</u>

7. EDUCATION:

<u>INSTITUTION</u>	<u>DATES ATTENDED</u>	<u>DEGREES RECEIVED</u>	<u>DATES OF DEGREES</u>
<u>Holy Cross</u>	<u>1947-1951</u>	<u>B.A.</u>	<u>June 1951</u>
<u>Georgetown Law</u>	<u>1951</u>	<u> </u>	<u> </u>
<u>Harvard Advanced Management Program</u>	<u>1968</u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

EMPLOYMENT RECORD:
List all positions
since college, in-
cluding military
(service)

POSITION OR TITLE	JOB DESCRIPTION	NAME OF EMPLOYER	LOCATION AND DATES OF EMPLOYMENT
1 (See attachment)		CIA	Abroad and Washington, D.C. 1951-Present
2.			
3.			
4.			
5.			
6.			

(ATTACH EXTRA SHEET IF NECESSARY)

GOVERNMENT
EXPERIENCE:

Excluding any employment listed above, list any experience in, or association with Federal, State, or local governments including any advisory, consultative, honorary or other part-time services or positions.

None

8.. Employment Record

September 1951 - June 1952	Communications processing and distribution clerk
June 1952 - June 1952	Communications tech (crypt) (overseas)
July 1952 - August 1953	Communications cable analyst (overseas)
August 1953 - July 1954	Chief, Cable Desk (overseas)
July 1954 - November 1954	Home leave and training at CIA's training site
November 1954 - February 1955	Administrative officer (overseas)
February 1955 - January 1957	Assistant to Chief of Station (overseas)
March 1957 - September 1957	Entered military service under Agency auspices
September 1957 - November 1957	Headquarters, European Division, counter-intelligence
November 1957 - December 1958	Deputy Chief, Central Processing
January 1959 - May 1961	Case officer for U-2 pilots and contract monitor of technical representatives
May 1961 - November 1962	Executive Officer, Development Projects Division; was responsible for CIA reconnaissance activities, and support to all phases of air operations
November 1962 - January 1964	Chief, Program Analysis Staff/Development Projects Division
January 1964 - July 1964	DCI Program Analysis Staff
August 1964 - September 1965	DDS&T Systems Analysis Staff
September 1965 - September 1970	Deputy Director, Office of Special Projects
September 1970 - July 1971	Deputy Director, Office of ELINT
July 1971 - April 1973	Director, Office of ELINT

-2-

April 1973 - August 1974

Director, Office of Technical Service

August 1974 - May 1976

Associate Deputy Director for Administration

May 1976 - April 1977

Associate Deputy to the DCI for the
Intelligence Community

April 1977 - January 1978

Acting Deputy to the DCI for the
Intelligence Community

January 1978 - April 1981

Deputy Director for Operations

April 1981 - January 1982

Deputy to the DCI for National Foreign
Assessment

January 1982

Executive Director

MEMBERSHIPS: List all memberships and offices held within the last five years in professional, fraternal, business, scholarly, civic, charitable and other organizations.

<u>ORGANIZATION</u>	<u>OFFICES HELD (if any)</u>	<u>DATES</u>
---------------------	------------------------------	--------------

None		

1. PUBLISHED WRITINGS & SPEECHES: List the titles, publishers and dates of books, articles, reports or other published materials you have authored. Also, list titles of any public speeches for which there is a text or transcript, which you have given in the last 10 years. Please specify whether it is a book, article, report or speech.

None

12. HONORS & AWARDS

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Distinguished Intelligence Medal (2)

Intelligence Medal of Merit

Certificate of Distinction

National Intelligence Distinguished Service Medal

Certificate of Recognition - William A. Jump Memorial Award

3. REFERENCES: Please provide the Committee with the names and current addresses and telephone numbers of five individuals whom you believe are in a position to comment upon your qualifications for the office to which you have been nominated. Please include the names of at least three (3) persons who have known you for more than five years.

<u>NAME</u>	<u>ADDRESS</u>	<u>TEL.NO.</u>	<u># OF YEARS REFERENCE HAS KNOWN YOU</u>
President George Bush	White House	456-7123	7
Deputy Secretary of Defense Frank Carlucci	Pentagon	695-6352	6
Ambassador Daniel J. Murphy	White House	456-6606	7
Ambassador Stansfield Turner	1320 Skipwith Road McLean, Virginia 22101	522-5258	6
Mr. J. Stoessel, Jr.	State Department	632-9640	6

3. QUALIFICATIONS

State fully your qualifications to serve in the position for which you have been nominated. (attach sheet)

4. FOREIGN AFFILIATIONS

Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business or political adviser or consultant), with or without compensation, a foreign government or any entity controlled by a foreign government?

☐ YES
 ☒ XXX
 ☐ NO

2. If you or your spouse have ever been formally associated with a law, accounting, public relations or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or any entity controlled by a foreign government?

☐ YES
 ☒ XXX
 ☐ NO

If the answer to either or both of the above questions is "yes", describe each relationship.

(NOTE: The questions above are not limited to relationships requiring registration under the Foreign Agents Registration Act.)

13. B. Qualifications

- During my 31 years of government service, I have had the good fortune to work in all four Directorates of the Central Intelligence Agency as well as on staffs supporting the DCI in executing his Intelligence Community responsibilities. Within CIA, my responsibilities in the scientific and technical arena have included reconnaissance operations and research and development (1965-1974). As Associate Deputy Director for Administration (1974-1976), I helped manage our support capabilities, including communications, logistics, data processing, personnel, security and training. I have also served as Deputy Director of Central Intelligence for Operations (1978-1981). In that capacity I was responsible for the collection of foreign intelligence from human sources, counterintelligence, and conducting special activities as directed by the National Security Council. As Deputy Director for National Foreign Assessment (April 1981 - January 1982), I was the Director's principal advisor on the analytical process and the production of national intelligence, including Intelligence Community estimates and CIA production. Finally, as Executive Director since January of this year, I have been responsible for the day-to-day management of the Central Intelligence Agency.

Within the Intelligence Community, I served as Associate Deputy (1976) and then Acting Deputy (1977) to the DCI for the Intelligence Community. In those capacities I assisted the DCI in executing his Community responsibilities and served as his principal advisor on all matters relating to the National Foreign Intelligence Program budget and on Community-wide collection tasking. I would also like to note that during most of my career (since 1959), I have served in positions involving national programs requiring coordination, and in many cases joint efforts, with the military services.

I believe my long and varied career has provided me an in-depth appreciation of all facets of the intelligence process, both within the CIA and the Intelligence Community, and therefore qualifies me for the position for which I have been nominated.

In the past five years, have you or your spouse received any
 transaction from, or been involved in any financial or business trans-
 action with a foreign government or an entity controlled by a foreign
 government?

nts,

XXX

YES

NO

Please furnish details.

Questions 1,2,& 3 do not call for a response if the representation
 of a transaction was authorized by the United States Government
 in connection with your employment in government service.)

Has your spouse ever registered under the Foreign Agents
 Registration Act?

XXX

YES

NO

Please furnish details.

AFFILIATIONS

Report of your and your spouse's financial contributions of money or
 property valued in excess of \$500 to any political party, election
 committee or political action committee during the last five years.

ORGANIZATION

AMOUNT

DATE

oy-

Have you ever been a candidate for elective public office?. If yes,
 please furnish details.

XXX

YES

NO

FINANCIAL DISCLOSURE AND POTENTIAL CONFLICT OF INTEREST

Describe any employment, business relationship, investment,
 interest or activity which might create, or appear to create, a
 conflict of interest in the position to which you have been nominated.
 (See 18 USC 208 and Executive Order 11222 attached.)

one

Please list below all corporations, partnerships, foundations, trusts, other entities toward which you or your spouse have fiduciary obligations or in which you or your spouse have held directorships or other positions of trust during the past five years.

<u>Name of Entity</u>	<u>Position</u>	<u>Dates held</u>	<u>Self or Spouse</u>
None			

List all gifts exceeding \$500 in value received during the past five years by you, your spouse, and your dependents. Gifts received from relatives & gifts given to a spouse or dependent totally independent of their relationship to you need not be included.

None

List all securities, real property, partnership interests, or other investments or receivables with a current market value (or, if market value is not ascertainable, estimated current fair value) in excess of \$1,000. (NOTE: The information provided in response to Schedule A of the disclosure forms of the Office of Government Ethics may be incorporated by reference, provided that current valuations are used.)

<u>Description of Property</u>	<u>Value</u>	<u>Method of Valuation</u>
Home	Estimated \$170,000	

7. List all loans, mortgages, or other indebtedness (including any contingent liabilities) in excess of \$10,000. (NOTE: The information provided in response to Schedule D of the disclosure form of the Office of Government Ethics may be incorporated by reference, provided that contingent liabilities are also included.)

<u>Nature of Obligation</u>	<u>Name of Obligee</u>	<u>Amount</u>
Mortgage	Richard and Margaret Huger (in-laws)	\$30,000

List all lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy. List specifically each appearance before any committee of the Congress, and any other effort in any capacity to influence an action of a committee of Congress.

None

Describe the financial arrangements you have made or plan to make, if you are confirmed, in connection with severance from your current position. Please include severance pay, pension rights, stock options, deferred income arrangements, and any and all compensation that will or might be received in the future in your current position as a result of your prior business or professional relationships.

N/A

10. Explain how you will resolve any potential conflict of interest that may be indicated by your responses to the above items.

N/A

11. Do you intend to place your financial holdings and those of your spouse and dependent members of your immediate household in a blind trust? If yes, please furnish details.

N/A

12. List sources and amounts of all income received during the last five years, including all salaries, fees, dividends, interest, gifts, rents, royalties, patents, honoraria, and other items exceeding \$500. (If you prefer to do so, copies of U.S. income tax returns for these years may be substituted here, but their submission is not required.)

	19 77	19 78	19 79	19 80	19 81
Salary	\$48,427	\$50,003	\$50,584	\$63,299	\$52,749
Fees, royalties					
Dividends					
Interest	\$ 284	325	377	498	658
Gifts					
Rents					
Other-exceeding \$500					
Total					

13. Add schedule itemizing each individual source of income which exceeds \$500. If you are an attorney, accountant, or other professional, attach schedule listing all clients and customers whom you billed more than \$500 worth of services during the past five years.

N/A

F. LEGAL PROCEEDINGS

1. List all civil legal actions in which you have been a party or a witness since you reached age 21 and provide the name and location of the court, the docket number, and a brief description of the nature of the action and your involvement in it.

N/A

2. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense? If yes, please furnish details.

No

3. Have you ever been arrested or named as a defendant in an indictment or information for any criminal violation, other than a minor traffic offense? If yes, please furnish details.

No

G. OTHER INFORMATION

1. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination. None

Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

3. Are you willing to provide such information as is requested by such committees? Yes.

MEMBERSHIPS: List all memberships and offices held within the last five years in professional, fraternal, business, scholarly, civic, charitable and other organizations.

<u>ORGANIZATION</u>	<u>OFFICES HELD (if any)</u>	<u>DATES</u>
---------------------	------------------------------	--------------

None

1. PUBLISHED WRITINGS & SPEECHES

List the titles, publishers and dates of books, articles, reports or other published materials you have authored. Also, list titles of any public speeches for which there is a text or transcript, which you have given in the last 10 years. Please specify whether it is a book, article, report or speech.

None

12. HONORS & AWARDS

List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Distinguished Intelligence Medal (2)

Intelligence Medal of Merit

Certificate of Distinction

National Intelligence Distinguished Service Medal

Certificate of Recognition - William A. Jump Memorial Award

AFFIDAVIT

I John N. McMahon, do swear that the information provided in this statement, including the confidential section and other attachments hereto, is to the best of my knowledge, true, accurate and complete.

10 MAY 1982

DATE

STAT

SIGNATURE

NOTARY

My Commission Expires May 30, 1983

1 The Chairman: And I have here the Ethics Committee
2 Report on John McMahon, and I ask consent that it be placed
3 in the record of these hearings.

4 [The information referred to follows:]

5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

18

I HAVE HERE THE ETHICS COMMITTEE REPORT ON JOHN N. McMAHON.
I ASK UNANIMOUS CONSENT THAT IT BE PLACED IN THE RECORD OF THIS
NOMINATION HEARING.

(REPORT ATTACHED)

82-847
W/82-77L

United States of America
**Office of
Government Ethics**

Office of Personnel Management
Washington, D.C. 20415

Honorable Barry Goldwater
Chairman, Select Committee on
Intelligence
United States Senate
Washington, D.C. 20501

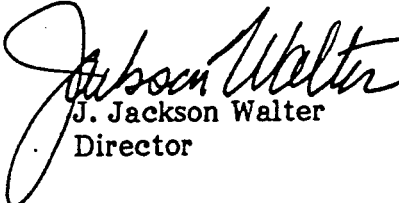
MAY 14 1982

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by John N. McMahon, who has been nominated by President Reagan for the position of Deputy Director of Central Intelligence.

We have reviewed the report and have also obtained advice from the Central Intelligence Agency concerning any possible conflict in light of the Agency's functions and the nominee's proposed duties. Based thereon, we believe that Mr. McMahon is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,


J. Jackson Walter
Director

Enclosure

RECEIVED BY THE
SENATE SELECT COMMITTEE
ON INTELLIGENCE
1982 MAY 17 AM 11:41

FINANCIAL DISCLOSURE REPORT

Page 1

Reporting Individual's Name		Last Name		First Name and Middle Initial		Agency Use Only		OGE Use Only	
X Incumbent		X New Entrant, Nominee, or Candidate		Termination Report		NOTE: All schedules must be filed. Enter "None" in areas or across schedules where appropriate.		Date of Filing (Month, Day, Year)	
Reporting Individual's Name		McMahon		John N.		5-6-82		MAY 11 1982	
Position for Which Filing		Deputy Director of Central Intelligence		Central Intelligence Agency		Date of Appointment, Candidacy, Election or Nomination (Mo., Day, Yr.)		Termination Date (if Applicable) (Month, Day, Year)	
Location of Principal Office		Washington, D.C. 20505		Room Number		7D55		Telephone No. (Include Area Code)	
Name of Congressional Committee Considering Nomination		Senate Select Committee on Intelligence		Do You Intend to Create a Qualified Diversified Trust?		Yes		X No	
Title of Position(s) and Date(s) Held		12 April 1981 - 3 January 1982: Deputy Director for National Foreign Assessment, Central Intelligence Agency 4 January 1982 - : Executive Director, Central Intelligence Agency							
Signature of Reporting Individual		[Signature]						Date (Month, Day, Year)	
Signature of Designated Agency Ethics Officer		[Signature]						Date (Month, Day, Year)	
Signature of Reviewing Official		[Signature]						Date (Month, Day, Year)	
Signature of Designated Agency Ethics Officer		[Signature]						Date (Month, Day, Year)	
Signature of Reviewing Official		[Signature]						Date (Month, Day, Year)	
Signature of Designated Agency Ethics Officer		[Signature]						Date (Month, Day, Year)	
Signature of Reviewing Official		[Signature]						Date (Month, Day, Year)	

(Check box if comments are continued on the reverse side)

This schedule is applicable in the case of all reporting individuals.

If there are any interests in property purchased, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported but which would be reportable, but for the following:

1. They represent solely your spouse's or dependent child's financial interest or responsibilities;
2. They are not, in any way past or present, derived from your income, assets, or activities;
3. You neither derive, nor expect to derive, any financial or economic benefit from them; and
4. You do not have knowledge as to the composition of such interests or liabilities.

Do you certify to all of the above?

Yes	No
X	

Page Number A	2	Schedule A
Reporting Individual's Name John N. McMahon		
Agency Use Only		
Date of Filing - Month/Day/Year 5-6-82		

Approved For Release 2007/03/21 : CIA-RDP84B00274R000200220001-0

PURCHASES, SALES, AND EXCHANGES

This schedule is applicable only in the case of annual and termination reports.

Page Number	3	Schedule B
Reporting Individual's Name John N. McMahon		
Agency Use Only		
Date of Filing Month Day Year 5-6-82		

Report Applicable Transactions Even if Also Reported on Schedule A[illegible]

This schedule is applicable only in the case of annual and termination reports.

Page Number	4	Initials	C
John N. McMahon			
Agency Use Only			
5-6-82			

I. Lodging, Transportation, Food and Entertainment—List each source totaling \$250 or more in value			Value
Source	Source (Name and Address)	Brief Description	
	None		

II—All Other Gifts—List each source totaling \$100 or more in value			Value
Source	Source (Name and Address)	Brief Description	
	None		

III. Reimbursements—List each source totaling \$250 or more in value			Value
S	Source (Name and Address)	Brief Description	
	None		

OMB No. 0705-0188
 (Rev. 5-82)

This schedule, except as noted for the third section, is applicable in the case of all reporting individuals.

John N. McMahon

Agency Use Only

5-6-82

Page Number

5

Schedule D

LIABILITIES

S or DC	Name and Address of Creditor	Type of Liability (e.g. promissory note, margin account) Give date, interest rate and, if applicable, term	Category of Amount or Value (✓)				
			\$10,001 to \$15,000	\$15,001 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$250,000	Over \$250,000
	None						

POSITIONS HELD

Name and Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
None				

COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE This section is applicable only in the case of nominees and new entrants.

Source (Name and Address)	Exact Description of Duties
None	

RELATIONS WITH OTHER EMPLOYERS

Description of Terms of Any Agreement or Arrangement	Parties	Date (Mo., Da., Yr.)
None		

1 The Chairman: I have a prepared statement from Senator
2 Inouye on the nomination of John McMahon. I ask that that
3 be placed in the record.

4 [The prepared statement of Senator Inouye follows:]

5

6

7

8

9

10

11 •

12

13

14

15

16

17

18

19

20

21

22

23

24

25

Handwritten signature 19

PREPARED STATEMENT OF SENATOR INOUE
ON NOMINATION OF JOHN N. MCMAHON AS
DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Mr. McMahon, let me add my personal congratulations to those of the other members of the Select Committee on Intelligence on your nomination as Deputy Director of Central Intelligence. I believe it is fortunate for the Committee -- and also the Intelligence Community and the public -- that an individual of your comprehensive managerial and technical expertise in the field of intelligence has been nominated to this important position.

Recent years have witnessed a growth in public awareness of the importance of timely, relevant, and high quality intelligence. Many current foreign policy problems require accurate intelligence information for their satisfactory resolution -- for example, the form and content of verifiable strategic arms limitation agreements; Soviet and client state use of biological and chemical agents in warfare and the general problem of Soviet compliance with arms control agreements; the military situation in various parts of the world and the desirability of proposed U.S. arms sales to such regions; and the status of national nuclear programs and the prospects for control of nuclear proliferation.

This Committee has responded favorably since the time of its creation to the task of rebuilding the intelligence capabilities of the United States government and providing for adequate intelligence on emerging issues. The Committee has worked in close

-2-

cooperation with the Intelligence Community to ensure, especially, that intelligence collection and analysis be improved through new systems and procedures and, when necessary and justified, through new institutional arrangements. The previous appointee as Deputy Director, Admiral Inman, has mentioned that he was persuaded to accept the post of Deputy Director of Central Intelligence in order to help rebuild and strengthen vital national intelligence capabilities. I believe that Admiral Inman is correct in his belief that this task has been successfully commenced; I and the other members of the Committee will continue to be involved in this important effort.

There is an indisputable need to enhance our national intelligence capabilities to meet novel and severe current challenges, especially through reinforcement of our intelligence collection and analysis capabilities. But there is also a danger that increased attention to intelligence functions, with their unavoidable aspect of secrecy, will cause too great an expansion in the side of intelligence that is customarily referred to as "operations" -- clandestine intelligence collection, or espionage, and covert action in support of foreign policy objectives. Overstressing intelligence operations can be detrimental to the traditional intelligence functions of collecting and analyzing national security information, and may also result in infringement of constitutional rights and civil liberties. If such abuses were to occur, the public credibility of intelligence efforts would suffer and the Nation could be disadvantaged in its continuing pursuit of necessary intelligence activities.

-3-

The public credibility of intelligence activities is now preserved in great part through the process of Congressional oversight of the activities of the Intelligence Community. The Senate Select Committee on Intelligence and its counterpart in the House of Representatives review general intelligence programs, including their budgets, and in addition are regularly notified of significant intelligence activities at home and clandestine activities abroad. In this way, not only is the public credibility of intelligence preserved but legal and constitutional legitimacy is conferred on properly reported and approved intelligence programs and activities. Through the oversight mechanism, the actions of the Executive in the area of intelligence are made accountable to the public through their elected representatives in Congress, while necessary secrecy is preserved. As the first Chairman of the Select Committee on Intelligence, I am proud of the record of the Committee in discharging its constitutional and statutory functions and of its unblemished record of preserving necessary secrecy in the interests of national security. I believe that the Committee has successfully steered the difficult course between meaningful review of Executive action and judicious treatment of highly sensitive information.

The oversight process I have described has been crucial in assuring Congress and through Congress the public that intelligence programs are properly administered and intelligence activities carefully supervised. It has also protected the Intelligence

-4-

Community by assuring it that its actions are being taken through regular procedures that ensure the support of Congress and the public. The previous appointee to the position of Deputy Director of Central Intelligence, Admiral Inman, succeeded to an admirable extent in gaining the confidence of Congress and the trust of the public. He was a fine professional intelligence officer; we could be sure of his abilities to grasp and manage the complex activities of the Intelligence Community. He established a fine rapport with the oversight committees and a fine record in disclosure and discussion of key intelligence issues.

Mr. McMahon, I believe that you, in view of your long experience as an intelligence professional, can have a similar positive effect on the success of the Nation's intelligence effort, including the important aspect of Congressional relations. I would hope that you will turn all your hard-earned professional skills to the difficult duties of this job, by keeping a watchful eye on the managerial and technical side of the activities of the Intelligence Community, especially the Central Intelligence Agency, and by keeping this Committee and whenever appropriate, the public, fully informed of significant intelligence issues.

1 The Chairman: And I have a letter from Congressman
2 Edward Boland, Chairman of the House Permanent Select
3 Committee on Intelligence on behalf of the members of his
4 Committee, which is the counterpart of our own Committee in
5 the House of Representatives.

6 Chairman Boland writes in strong support of the
7 nomination of John McMahon to be Deputy Director of Central
8 Intelligence.

9 And also I have a letter here from Congressman J.
10 Kenneth Robinson, Ranking Minority Member of the House
11 Permanent Select Committee on Intelligence, expressing
12 strong support for John's nomination.

13 I ask unanimous consent that both these letters be
14 placed in the record.

15 [The letter from Representative Boland follows:]

16

17

18

19

20

21

22

23

24

25

I HAVE A LETTER HERE FROM CONGRESSMAN EDWARD P. BOLAND, CHAIRMAN OF THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE. ON BEHALF OF THE MEMBERS OF HIS COMMITTEE, WHICH IS THE COUNTERPART OF OUR OWN COMMITTEE IN THE HOUSE OF REPRESENTATIVES, CHAIRMAN BOLAND WRITES "IN STRONG SUPPORT OF THE NOMINATION OF JOHN N. McMAHON TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE."

AS WELL, I HAVE A LETTER HERE FROM CONGRESSMAN J. KENNETH ROBINSON, RANKING MINORITY MEMBER OF THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE, EXPRESSING STRONG SUPPORT FOR JOHN McMAHON'S NOMINATION.

I ASK UNANIMOUS CONSENT THAT BOTH THESE LETTERS BE PLACED IN THE RECORD OF THIS NOMINATION HEARING.

(LETTERS ATTACHED)

82-959
Room H-405, U.S. Capitol
(202) 225-4121

EDWARD P. BOLAND, MASS., CHAIRMAN

CLEMENT J. ZABLOCKI, WIS.
CHARLES ROSE, N.C.
ROMANO L. MAZZOLI, KY.
NORMAN Y. MINETA, CALIF.
WYCHE FOWLER, JR., GA.
LEE H. HAMILTON, IND.
ALBERT GORE, JR., TENN.
BOB STUMP, ARIZ.U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, D.C. 20515J. KENNETH ROBINSON, VA.
JOHN M. ASHBROOK, OHIO
ROBERT MCCLORY, ILL.
WILLIAM WHITEHURST, VA.
W. BILL YOUNG, FLA.THOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL
PATRICK G. LONG, ASSOCIATE COUNSEL

May 25, 1982

Honorable Barry Goldwater
Chairman
Senate Select Committee on Intelligence
G-308 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Chairman:

I write in strong support of the nomination of Mr. John N. McMahon to be Deputy Director of Central Intelligence.

During the past nearly five years of this Committee's existence, it has held frequent meetings with Mr. McMahon. He has impressed me with his honesty, integrity and forthrightness. During those years, he has held several of the most senior, sensitive and responsible positions in the Central Intelligence Agency and he has carried out those assignments in an exemplary fashion.

As the Deputy Director for Operations, Mr. McMahon was responsible for some of the most sensitive operations our nation's intelligence services carry out. Under his guidance, the DDO enhanced its professionalism and reinvigorated its morale.

During his tenure as the Deputy Director for Intelligence, Mr. McMahon carried out a major and long overdue restructuring of CIA's analytic assets, bringing cross-discipline capabilities to bear on key issues in a more effective way.

In recognition of his managerial talents, Director Casey appointed John McMahon to the newly recreated position of Executive Director of the CIA. Now, with the retirement of Admiral Inman, Mr. McMahon has been chosen by the President to become the Deputy Director of Central Intelligence.

When Admiral Inman's name was before the Senate Select Committee on Intelligence for confirmation as Deputy Director, I wrote to you endorsing him for that position. In doing so, I stressed his attributes of integrity, deep honesty and well reasoned decisionmaking. The Intelligence Community, the CIA and the nation can be gratified that those very same attributes apply to Mr. McMahon.

1982 MAY 25 PM 1:20

RECEIVED BY THE
SENATE SELECT COMMITTEE
ON INTELLIGENCE

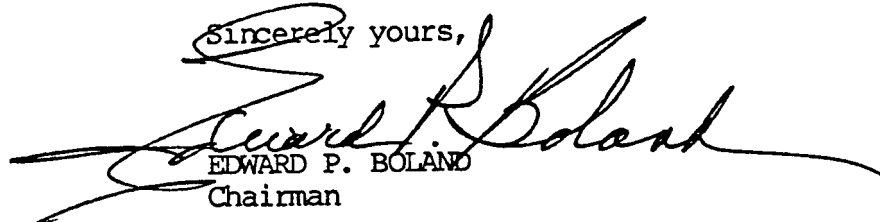
-2-

John McMahon is an excellent manager, a widely experienced intelligence officer and a well respected senior government official. I am confident that he will do well in his new assignment.

I am certain that all the Members of the Permanent Select Committee on Intelligence join with me in giving an unqualified endorsement to this fine American for the post to which he has been nominated.

With every good wish, I am

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Edward P. Boland". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

EDWARD P. BOLAND
Chairman

EDWARD P. BOLAND, MASS., CHAIRMAN

CLEMENT J. ZABLOCKI, WIS.
CHARLES ROSE, N.C.
ROMANO L. MAZZOLI, KY.
NORMAN Y. MINETA, CALIF.
WYCHE FOWLER, JR., GA.
LEE H. HAMILTON, IND.
ALBERT GORE, JR., TENN.
BOB STUMP, ARIZ.

ROOM H-405, U.S. CAPITOL
(202) 225-4121

U.S. HOUSE OF REPRESENTATIVES
PERMANENT SELECT COMMITTEE
ON INTELLIGENCE
WASHINGTON, D.C. 20515

J. KENNETH ROBINSON, VA.
JOHN M. ASHBROOK, OHIO
ROBERT MCCLORY, ILL.
G. WILLIAM WHITEHURST, VA.
C. W. BILL YOUNG, FLA.

THOMAS K. LATIMER, STAFF DIRECTOR
MICHAEL J. O'NEIL, CHIEF COUNSEL
PATRICK G. LONG, ASSOCIATE COUNSEL

May 26, 1982

Honorable Barry Goldwater
Chairman
Senate Select Committee on Intelligence
G-308 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Senator Goldwater:

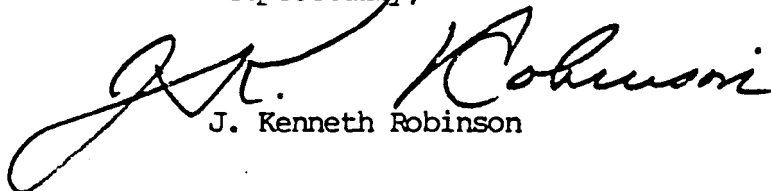
As the ranking minority member of the House Permanent Select Committee on Intelligence I want to join my Chairman, Congressman Edward Boland in endorsing the nomination of John N. McMahon for the position of Deputy Director of Central Intelligence.

During the past five years I have known and worked with Mr. McMahon I have found him to be extraordinarily responsive, forthright and trustworthy in helping this Committee meet its oversight responsibilities of the Intelligence Community.

John McMahon has set a standard of professionalism and leadership unequalled in the intelligence field. He has distinguished himself as head of the Intelligence Community Staff; as Deputy Director of Operations and Deputy Director of Intelligence as well as Executive Director of the CIA. No other officer of the agency has held so many diverse and key positions and done so in such an outstanding manner.

Mr. Chairman, I can assure you that his service in the position to which he has now been nominated by the President will be of the greatest value to the Congress and to this nation. Mr. McMahon has my full support and I urge speedy confirmation.

Respectfully,



J. Kenneth Robinson

1 The Chairman: Now we can begin questioning, and --

2 Senator Wallop: Mr. Chairman?

3 The Chairman: Senator Wallop?

4 Senator Wallop: I am sorry I was late, but a former POW
5 is having an art show at the Veterans Administration, and I
6 was asked to the opening of it. He was a prisoner of war,
7 an Army intelligence officer who spent four and a half years
8 in solitary confinement, and I thought it was worth giving
9 him that time.

10 The Chairman: Do you have a statement?

11 Senator Wallop: I have a statement, part of which I
12 will read and part of which I will ask to have put in the
13 record.

14 The Chairman: All right.

15 Senator Wallop: Mr. Chairman, I have no argument with
16 this nomination. Mr. Casey wants Mr. McMahon because he
17 believes Mr. McMahon will do what the country needs to have
18 done. There is nothing in Mr. McMahon's background which
19 disqualifies him and much that recommends him highly.

20 Mr. McMahon will not have an easy task. Two years ago I
21 had something to do with the platform upon which this
22 President conducted the campaign for the 1980 election.
23 That platform specifically mentioned that a kind of
24 revolution had taken place in American intelligence just at
25 the time when world events were demanding that it change in

1 ways quite opposite from the ones in which it did. The
2 platform specified some rather drastic measures to undo that
3 revolution and meet the challenges of the '80s. That was
4 two years ago.

5 Recently around this town there has been a lot of
6 irresponsible talk about threats to civil liberties and the
7 need for professionalism in intelligence. Whether and how
8 the latter and the former are supposed to be related is a
9 mystery. The only clear fact is that the Intelligence
10 Community today looks much as it did two years ago. Today
11 the agenda laid out by the President's platform is as valid
12 and more urgent than ever. The test of Mr. McMahon's
13 fitness for this job\ will not come in these hearings but in
14 what he does to faithfully fulfill that platform.
15 Performance is the test of fitness.

16 In recent weeks a noisy and unenlightening and
17 disturbing debate has surrounded the "quiet resignation" of
18 Mr. McMahon's predecessor. The press, taking aim at Mr.
19 Casey and the President who appointed him has somehow been
20 inspired to write that the sole qualification for holding
21 high office in the Intelligence Community is professionalism
22 designed as never having had a job anywhere else but in
23 intelligence. Such talk is both hypocritical and wrong.

24 It is hypocritical because we heard no such talk four
25 years ago when a far higher proportion of the Intelligence

1 Community's high officials had no experience in the jobs to
2 which President Carter had just appointed them. Admiral
3 Turner had never been an intelligence specialist. His
4 Deputy, Frank Carlucci, had been a Foreign Service Officer
5 and a budgeteer. Mr. McMahon, at DDO, had never been a
6 station chief. Dr. Bowie at DDI was a professor from
7 Harvard. Mr. Blee of the Counterintelligence Staff had no
8 experience as a CI professional. Why was there no outcry?
9 Why weren't CIA bureaucrats scurrying to the press to
10 denounce President Carter and his appointees in
11 intelligence?

12 Whatever the reason, there was not then the petty
13 bureaucratic treason that we see now. And I will not
14 speculate as to why so many present and former officials of
15 the CIA have objected less to Carter and his appointees than
16 to Reagan and his. That is a secondary matter.

17 The primary point is that any insistence on bureaucratic
18 qualifications in 1978 or in 1982 is quite wrong. Neither
19 then nor now is one's resume a sufficient claim or a
20 sufficient disqualification for holding high office. The
21 worst result of the current campaign for "professionalism"
22 in intelligence, however, is that it clouds the bases of
23 legitimacy in government. The only bases for legitimacy
24 are, one, performance, and two, election.

25 First, performance is paramount. There is no such thing

1 as no-fault government, no such thing as no-fault foreign
2 policy or no-fault intelligence policy. Regardless of an
3 official's resume, if the area for which he is responsible
4 improves because of his stewardship of it, then that
5 official's tenure is quite justified. If the area is worse
6 or unimproved, the fact that he had previously held a long
7 string of jobs is irrelevant.

8 Now, I think that the professionals in intelligence, the
9 people who have held high office in the Community over the
10 past 20 years, and especially since around 1976, do not have
11 a record of which they can be proud. On their watch this
12 country has suffered shock after shock, surprise after
13 unpleasant surprise. Above all, this country was surprised
14 by the size, scope and purpose of the Soviet military
15 build-up. To this day no one in authority in the Community
16 has bothered to explain why this happened and what should be
17 done to keep such things from happening again.

18 The list of past errors with which professionals have
19 not yet come to grips, much less fixed, is long: the
20 deception concerning Soviet missile accuracy, the Shadrin
21 affair, et cetera.

22 My point, like that of the President's platform, is
23 that while today we need competent performance from the CIA
24 more than we needed it ten years ago, we sometimes are less
25 confident of getting it. The professionals have a lot to

1 answer for, and it is safe to say that the public's verdict
2 on the last two decades of the intelligence professional's
3 judgment is not complimentary. The feeling that something
4 was wrong with intelligence, and the public's confidence in
5 Governor Reagan's ability to fix it, may not have been a
6 major cause for the outcome of the 1980 election,. but that
7 feeling certainly contributed to the outcome.

8 Second, the second basis of legitimacy is election, the
9 President's election. President Carter had both a legal and
10 a political right to reshape American intelligence according
11 to his best lights. So does every President who holds that
12 office. What he builds is then tested in the crucible of
13 events, and its worth or lack thereof is proved. President
14 Carter accomplished what he wanted. I think events showed
15 his program to have been ill-advised. President Reagan ran
16 on a platform which said certain things in intelligence
17 ought to be done differently. So let the President's
18 changes be pursued faithfully and let them be judged by the
19 fruits that they bear. Such a judgment will be impossible
20 if they continue to be ignored, pushed aside or sabotaged in
21 the name of professionalism.

22 Now I would ask that the remainder of my statement which
23 has some words of praise and admiration for Mr. McMahon be
24 inserted in the record.

25 Mr. McMahon: That's all right. You can say them,

1 **Senator.**

2 **[The prepared statement of Senator Wallop follows:]**

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

WALLOR

26

STATEMENT FOR A PUBLIC HEARING

ON THE NOMINATION OF

JOHN MC MAHON

TO BE

DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

Mr. Chairman:

I have no argument with this nomination. Mr. Casey wants Mr. McMahon because he believes Mr. McMahon will do what the country needs to have done. Nothing in Mr. McMahon's background disqualifies him. *Heck recommends him highly* We will see soon enough whether Mr. McMahon's performance vindicates or impeaches Mr. Casey's judgment.

Mr. McMahon will not have an easy task. Two years ago I had something to do with the platform on which this President conducted the campaign for the 1980 election. That platform specifically mentioned that a kind of revolution had taken place in American intelligence just at the time when world events were demanding that it change in ways quite opposite from the ones in which it did. That platform specified some rather drastic measures to undo that revolution and meet the challenges of the eighties. That was two years ago. Recently there has been a lot of irresponsible talk about threats to civil liberties and the need for professionalism in intelligence. Whether and how the latter and the former are supposed to be related is a mystery. The only clear fact is that the intelligence community today looks much as it did two years ago. Today, the agenda

-2-

laid out by the President's platform is as valid and more urgent than ever. The test of Mr. McMahon's fitness for this job will not come in these hearings but in what he does to faithfully fulfill that platform. Performance is the test of fitness.

In recent weeks a noisy, unenlightening, and disturbing debate has surrounded the "quiet resignation" of Mr. McMahon's predecessor. The press, taking aim at Mr. Casey and at the President who appointed him, has somehow been inspired to write that the sole qualification for holding high office in the intelligence community is professionalism, defined as never having had a job anywhere but in intelligence. Such talk is both hypocritical and wrong.

It is hypocritical because we heard no such talk, four years ago, when a far higher proportion of the intelligence community's high officials had no experience in the jobs to which President Carter had just appointed them. Admiral Turner had never been an intelligence specialist. His deputy Frank Carlucci had been a Foreign Service officer and a budgeteer. Mr. McMahon, at DDO had never been a station chief. Dr. Bowie at DDI was a professor from Harvard. Mr. Blee at the Counterintelligence staff had no experience as a C.I. professional. Why was there no outcry? Why weren't CIA bureaucrats scurrying to the press to denounce President Carter and his appointees in intelligence?

Whatever the reason, there was not then the petty bureaucratic treason that we see now. I will not speculate as to why so many present and former officials of the CIA have objected

-3-

less to Carter and his appointees to Reagan and his. That is a secondary matter.

The primary point is that any insistence on bureaucratic qualifications, in 1978 or in 1982, is wrong. Neither then nor now is one's resume a sufficient claim or a sufficient disqualification for holding high office. The worst result of the current campaign for "professionalism" in intelligence, however, is that it clouds the bases of legitimacy in government. The only bases for legitimacy are (1) performance and (2) election.

(1) Performance is paramount. There is no such thing as no-fault government, no such thing as no-fault foreign policy or no-fault intelligence policy. Regardless of an official's resume, if the area for which he is responsible improves because of his stewardship of it, then that official's tenure is justified. If the area is worse or unimproved, the fact that he had previously held a long string of jobs is irrelevant.

Now, I think that the "professionals" in intelligence, the people who have held high office in the community over the past twenty years, and especially since circa 1976 don't have a record of which they can be proud. On their watch this country has suffered shock after shock, surprise after unpleasant surprise. Above all this country was surprised by the size, scope and purpose of the Soviet military build-up. To this day no one in authority in the community has bothered to explain why this happened and what should be done to keep such things from happening again. The list of past errors with which the

-4-

professionals have not yet come to grips, much less fixed, is long: the deception concerning Soviet missile accuracy, the Shadrin affair, etc. My point, like that of the President's platform, is that while today we need competent performance from CIA more than we needed it ten years ago, we are less confident of getting it. The "professionals" have a lot to answer for. It is safe to say that the public's verdict on the last two decades of the intelligence professional's judgment is not complimentary. The feeling that something was wrong with intelligence, and the public's confidence in Governor Reagan's ability to fix it, may not have been a major cause for the outcome of the 1980 election, but that feeling certainly contributed to the outcome.

(2) The second basis of legitimacy is election - the President's election. President Carter had both a legal and a political right to reshape American intelligence according to his best lights. So does every President. What he builds is then tested in the crucible of events, and its worth, or lack thereof, is proved. President Carter accomplished what he wanted. I think events showed his program to have been ill advised. President Reagan ran on a platform which said certain things in intelligence ought to be done differently. So let the President's changes be pursued faithfully, and let them be judged by the fruits they bear. Such a judgment will be impossible if they continue to be ignored, pushed aside, or sabotaged in the name of professionalism.

-5-

The ills ~~to~~ which were there two years ago are still there: a collection system which would be mostly swept off the board in a major war, a data base on the Soviet Union's political and technological developments, and production programs that virtually guarantees we will suffer major surprises in the future. We have an analytical system capable of arguing - on the front page of the Washington Post no less - that yes the Soviet Union does have mobile SS-16 missiles at Plesetsk, and yes they're ready to shoot in case of war, but no, they're not deployed! We do not have a counterintelligence system, just a lot of disjointed activity in the field. How people in this field can give the U.S. any assurance of protection against the KGB and the other manifold threats that face us without central all-source analysis is truly mystifying. As for covert action, the proposals I've seen lead me above all to ask "so what?" The Agency may be able to carry them out - they're usually feasible - and they're also usually well-intentioned attempts to help out American foreign policy. But do they make a difference? I really hesitate to put the country's money and prestige on the line for things that don't make a difference.

Most disturbing, the intelligence bureaucracy appears to be digging its heels against improving its performance under the banner of professionalism and by uttering indistinct incantations regarding civil liberties.

All of this is to say that much must be expected from anyone occupying the job Mr. McMahon is about to occupy:

-6-

insight, fidelity to the ideas of the President who appointed him, and ability to bend the bureaucracy away from self-indulgence and toward the country's service.

I wish Mr. McMahon the best of luck and offer my support.

1 Senator Wallop: I want just to conclude by saying that
2 I have strong admiration for John McMahon. My problem is
3 this idea that we can only have a professional in that job
4 because after all, this is a government of men, and one of
5 the things which everybody thought was wrong in the past
6 problems that CIA had was that nobody from the outside ever
7 touched it, so that I just wanted to point out what to me is
8 an area of hypocrisy. I believe that where we are going now
9 is the right way to go. I believe it is a good nomination.
10 I believe John McMahon will do a good job in there. But we
11 ought not to fool ourselves that that is the only way in
12 which that job could have been done.

13 The Chairman: Thank you very much, Senator.

14 We will begin questioning by Senator Moynihan.

15 Senator Moynihan: Thank you, Mr. Chairman.

16 I have three questions of which the third we might put
17 for a second right. I will ask two.

18 The first question, Mr. McMahon, in open session will be
19 the first I asked yesterday in private session. In your
20 opening statement you said that there were two purposes of
21 oversight, the first, to assure the American people that
22 activities which are of necessity undertaken in secret are
23 being monitored by their elected officials, but as you know,
24 that of necessity involves a trust relationship between the
25 Committee and the Community because we cannot know what we

1 are not told, and therefore we must trust to the leaders of
2 the Community to inform us.

3 And therefore I ask you on your solemn oath before this
4 honorable Committee, can we have confidence that should at
5 any time in your tenure you learn that either by intent or
6 by mischance this Committee has been given wrong information
7 about intelligence activities or important information has
8 been withheld from this Committee, and regardless of whether
9 this is the act of persons below or persons above you in
10 this hierarchy, that you will feel it your professional duty
11 and your duty under law to inform the Committee thereof.

12 Mr. McMahon: Yes, sir, Senator Moynihan, I subscribe to
13 the statement that I made that I pledge to keep the
14 Committee fully and currently informed, and in doing so, I
15 really mirrored the words of Director Casey during his
16 testimony before this Committee when he was confirmed. And
17 it is the intent I think of every intelligence officer to
18 make sure that the oversight receives the information it
19 deserves to have and needs.

20 Senator Moynihan: And you will not hesitate to come
21 before us and say, gentlemen, you have been misled, or
22 gentlemen, there are things you should have been informed of
23 which were withheld from you.

24 Mr. McMahon: If I am aware that you had been misled, I
25 would correct it.

1 Senator Moynihan: Fine. That is what you said
2 yesterday, and we believe completely that you would do it.

3 Now, the second question, sir. You said that the second
4 duty of the oversight committees is to assure that the
5 intelligence officers who undertake the activities, often
6 dangerous and difficult, have the support of the Congress
7 and the resources they need to do their work.

8 Could I ask, do you feel that over the past six years in
9 the effective life of this Committee that that function has
10 been served as well? Put more directly, do you feel that
11 over the past six years the long running down of our
12 intelligence resources has been reversed and that a fairly
13 steady, continuous building back has taken place?

14 Mr. McMahon: Yes, sir, I think the downward trend has
15 been reversed, principally on the initiative of the Congress
16 a couple years ago that saw that we had drawn down too far
17 and began to pressure the turnaround.

18 We still have a long ways to go, and Congress has
19 supported us in our requests before it to increase the
20 resources we need. So I am very optimistic at the
21 relationship that exists, with the appreciation and the
22 understanding that the oversight committees have towards our
23 needs and the job that we are trying to do.

24 Senator Moynihan: I do not want to press you, but we
25 might as well get this, since the matter was raised, which I

1 certainly would not -- I was surprised to hear it raised,
2 but it was. You say this reversal began a couple of years
3 ago, by which you mean in the range of --

4 Mr. McMahon: About for the fiscal year '80.

5 Senator Moynihan: For the fiscal year '80.

6 Mr. McMahon: Fiscal year '80.

7 Senator Moynihan: You do not mean January 20, 1981.

8 Mr. McMahon: No, sir.

9 Senator Moynihan: Of course you do not, because that is
10 not the case. This has been a continuous development. It
11 took some time to get it into the fiscal '80 budget, which
12 began in 1979, and it has been the work of a bipartisan
13 committee, and I know that under our Chairman it will remain
14 a bipartisan committee.

15 And I thank you very much for your answer, sir.

16 Mr. Chairman, I have one other question on verification
17 that I would like to get to after everyone has had a
18 chance.

19 The Chairman: You go right ahead now. That is all
20 right.

21 Senator Moynihan: Well, then, I will because it is so
22 central to my judgment about, and I think yours, about the
23 nature of our Community and Mr. McMahon's work.

24 How do you feel about the capacity of the Intelligence
25 Community, which of course is beyond that of the CIA

1 directly, but of which you now are the Deputy for as well --
2 how do you feel its verification capacities -- let me start
3 again. Do you feel that the verification capacities of the
4 Intelligence Community are adequate to the kinds of arms
5 agreements we have reached with the Soviets and the kinds we
6 are likely to reach?

7 Now, I know you cannot answer the second part of that
8 question, but why do we not go back to a specific and give
9 you a peg.

10 Mr. McMahon: If we could go back, Senator Moynihan,
11 to --

12 Senator Moynihan: Could I just ask, to be specific, one
13 of the reasons the Senate demurred on SALT II was the
14 feeling that there had been losses sustained in our
15 verification capacity, particularly in Iran where there had
16 been telemetry stations; also that some of our satellite
17 systems have been compromised by Soviet espionage.

18 Would it be your judgment that we have restored that
19 verification capacity to a level adequate to the purposes
20 of, let us say, SALT II, and do you think that we are moving
21 in the direction of enhancing it further?

22 Mr. McMahon: That is a difficult question to answer in
23 a completely and fully environment given the unclassified
24 nature of this hearing.

25 The verification issue is not standing still. Some

1 capacities are eroding, other capacities are being brought
2 on line, but at the same token, the Soviets are doing things
3 a little differently, and so what was true last year or two
4 years ago may not necessarily be true today. And it is
5 difficult to give you an answer on verification until we
6 know the parameters of what we are trying ^{to} verify and in
7 what arrangement of any treaty that that has taken place.

8 I think we can give you a more satisfactory answer,
9 Senator, in the privacy of your chambers or in a closed
10 hearing.

11 • Senator Moynihan: Which of course we know, but it would
12 help us if you felt free to say what I think, you know,
13 which is that there has been a -- there have been capacities
14 added, and there are further capacities in prospect.

15 Mr. McMahon: That is true, but by the same tokens, the
16 Soviets are also doing things a little differently which may
17 not permit systems that worked years before to work now.

18 Senator Moynihan: Well, both things are true. It is
19 not a static situation, but there have been -- we are in a
20 different situation from that of 1979, and with respect to
21 1979, a better position, would you not say?

22 Mr. McMahon: I did not hear your last part, sir.

23 Senator Moynihan: With respect to 1969, assuming,
24 speaking just of our capacities, we are better off than we
25 were, but we are -- we have changed with respect to an also

1 changing challenge.

2 Mr. McMahon: We are better off if we were trying to
3 verify those things that we were trying to verify the^N

4 Senator Moynihan: Exactly.

5 Mr. McMahon: But that may not be the case today.

6 Senator Moynihan: And that is what -- and those changes
7 are what you have to have uppermost in your mind and be
8 looking for all the time.

9 Mr. McMahon: Yes, sir, we do.

10 Senator Moynihan: I am glad you are there.

11 Thank you, Mr. Chairman.

12 The Chairman: Thank you.

13 Senator Wallop?

14 Senator Wallop: Thank you, Mr. Chairman.

15 Mr. McMahon, what does the term "competitive analysis"
16 mean to you?

17 Mr. McMahon: Well, it brings to mind a lot of squabbles
18 that never really resolved some things, but we have matured
19 since then, Senator Wallop, and "competitive analysis" means
20 several things. It means as the President wanted, that we
21 make use of competitive analysis within the Intelligence
22 Community to bring all agencies with knowledge on a given
23 problem to contribute to the analysis of that problem. It
24 also means bringing in outside experts so that the mind sets
25 which may exist within the Intelligence Community do not

1 prevail. And it also means that we make available to our
2 analysis all the capabilities that would exist in the United
3 States, both intelligence, academic and industrial.

4 Senator Wallop: Let me ask you, do you believe that the
5 academic world can make a significant contribution to the
6 intelligence processes of the United States?

7 Mr. McMahon: They certainly can and they have
8 considerably. What was unfortunate in years past was that
9 the academic world turned away from intelligence during the
10 Vietnam and the Vietnam aftermath. I must say that since
11 then there is less pressure on the campus to stay away from
12 intelligence, and the academicians are bringing forth their
13 knowledge to us. We are integrating that into our overall
14 analysis, and I think that is a very healthy situation.

15 Senator Wallop: Is their attitude more helpful than it
16 was?

17 Mr. McMahon: The attitude is very favorable.

18 Senator Wallop: On the campuses?

19 Mr. McMahon: Yes, sir.

20 Senator Wallop: Let me just switch briefly to the world
21 of counterintelligence.

22 What does the term "coordinated counterintelligence"
23 mean to you?

24 Mr. McMahon: Well, "coordinated" basically means that
25 all concerned parties have had a say in whatever you are

1 addressing. It does not mean that you have arrived at a
2 consensus. There may be differences of opinion, but at
3 least everyone that has a stake in the issue has been aware
4 of the problem and their opinions have been voiced.

5 Senator Wallop: Does the President's mandate to study
6 possible changes in the way the Community conducts its
7 counterintelligence, does that signify to you a mandate to
8 handle it in a way that is fundamentally different from the
9 way it is at present, and if not, why not?

10 Mr. McMahon: Not yet, Senator Wallop, and it may be
11 because our thinking has not evolved to that maturity as
12 yet.

13 You must bear in mind -- and I don't mean to preach --
14 but the President's platform does not drive the Intelligence
15 Community until the incumbent President and the National
16 Security Council gives us directives, and right now, to that
17 end, to the very point that you are concerned about, the
18 National Security Council has directed us to review the
19 counterintelligence programs into the United States, to look
20 at the threat that exists here, to try and assess what ought
21 to be done in the sense of goals to address that threat,
22 what capabilities we have to bring to bear to the threat,
23 and the difference will be the gaps where we need resources
24 our adjustments.

25 When we address the adjustments is where you may decide

1 to require some tweaking or reorganization, but right now we
2 are just doing a plain study on trying to account, get the
3 facts.

4 Senator Wallop: Well, what sort of timeframe do you
5 anticipate?

6 Mr. McMahon: I believe that the first phase of that
7 study, which will give us a feel for the threat and the
8 capabilities, will be completed in July of this year.

9 Senator Wallop: Will this Committee be made aware of
10 the recommendations that might come down?

11 Mr. McMahon: I believe that Admiral Inman in earlier
12 testimony had assured the Committee that you would be made
13 aware of the outcome of that study.

14 Senator Wallop: Does that include the concept of
15 technology transfer as well?

16 Mr. McMahon: At the moment we have limited the -- or
17 have excluded technology transfer, but there is a lot of
18 attention right now in the Intelligence Community, in the
19 government at large, trying to stem the tide of the transfer
20 of technology which is awesome.

21 Senator Wallop: It is awesome. Much of it has to do
22 with the same sorts of techniques, though, does it not?

23 Mr. McMahon: I'm sorry, sir, I didn't hear you.

24 Senator Wallop: Well, counterintelligence and the
25 tracking of technology transfer.

1 Mr. McMahon: The large volume of technology transfer is
2 done in overt ways. What frightens us is that a great deal
3 of very significant technology which has military
4 application is done through illegal trade or through
5 clandestine operations, and it is in this clandestine
6 operations where counterintelligence would be needed.

7 Senator Wallop: Suffice to say, as you know, in the
8 Budget Committee we have been pushing a little bit in that
9 direction.

10 Mr. McMahon: Yes, sir, you have.

11 Senator Wallop: To give more support than perhaps has
12 been asked for, which has in many respects been the case in
13 a lot of the Community's operations, not only there.

14 I wish you well in your job. I have no doubt but what
15 you will be confirmed in it, and obviously the Committee
16 stands prepared to help.

17 I would just say this for the record, that all the
18 problems that we had in the Intelligence Community as a
19 result of non-oversight by the Congress I doubt could happen
20 now because aside from anything else, you have enough people
21 in the Congress who are now advocates of the need for
22 intelligence and understand what it is all about, and I do
23 not think that existed in the eras which created the furor
24 in the public's mind about what intelligence was all about
25 and what it meant to the country. And I for one, I know

1 there is risk in having this many people know that many
2 things about what the country does in a secret way, but
3 clearly there is great benefit in it, too, and I know you
4 share that feeling.

5 Mr. McMahon: Yes, I do, sir.

6 Senator Wallop: Thank you, Mr. Chairman.

7 The Chairman: Thank you.

8 Senator Huddleston?

9 Senator Huddleston: Thank you, Mr. Chairman.

10 Mr. Chairman, I think by some of the statements that
11 have been made already today indicates what I consider to be
12 one of the major concerns about our intelligence operations
13 and maybe one of the most detrimental trends in recent
14 times, and that is the politicizing of our intelligence
15 operation. And I am not talking so much about the
16 appointments to the various positions as I am the use of the
17 intelligence product. And I have noted and watched this
18 develop over recent years. I certainly would not place the
19 blame on any particular group of politicians, but as an
20 example I would cite the Carter Administration's press
21 conference and revelation of the development of the STEALTH
22 airplane activity. I think during the last, the
23 presidential elections there was a considerable amount of
24 selective leaking, there was a considerable amount of the
25 use of the intelligence product in a limited way to try to

1 support one particular position or the other.

2 I see this as probably the most damaging development as
3 to our intelligence operations that has occurred over the
4 last decade at least, and I know that you recognize that
5 intelligence estimates have to be, certainly should be
6 scrupulously objective. If justice needs to be blind, in my
7 judgment, so does intelligence, and to try to mold the
8 intelligence product to fit some preconceived notion or some
9 preposition taken by any element of the government seems to
10 me to be a very dangerous thing.

11 • Translating that into an actual policy sometimes is more
12 difficult, I think, than just by stating it, but as Deputy
13 CIA Director in charge of Analysis last year, I am sure you
14 have had to deal with that. In your new position what role
15 will you play in assuring the independence of the
16 intelligence analysis from any kind of partisan or
17 ideological bias?

18 Mr. McMahon: In truth, Senator Huddleston, I really
19 don't have to play any role. The greatest protection that
20 exists to address your concern is the Intelligence Community
21 itself. The analysts are very independent people. They
22 call them as they see them, and our job is to produce
23 intelligence the way we see it, whether it fits any
24 particular mold or not.

25 I think the American people can be satisfied that we

1 have done that over the years. We may have been wrong at
2 times, but that was one of competency and knowledge,
3 certainly not one of trying to skew the facts. And IL just
4 don't see that as a threat, and I would certainly be alert,
5 and we would rebuff any attempts to cause that to happen.

6 Senator Huddleston: But you have no control of it once
7 you have made you recommendations.

8 Mr. McMahon: Once we publish it, sir, it is gone.

9 Senator Huddleston: What happens then.

10 Can we depend on you to let us know, that is, the
11 • Committee itself, if there are undue pressures to distort in
12 any way the intelligence estimates that you are required to
13 make?

14 Mr. McMahon: I do not know if I would advise the
15 Committee, but I think I would resign if I were pressured to
16 do something that I felt I could not do.

17 Senator Huddleston: You would tell us why you resigned,
18 would you not?

19 Mr. McMahon: Maybe after the fact.

20 Senator Huddleston: Last year the National Intelligence
21 Council, which writes the estimates, was taken out of CIA
22 and put under direct control of the Director of Central
23 Intelligence.

24 Does this mean that national estimates are now the
25 responsibility of the Director and that they are supposed to

1 reflect his views, and are there any advantages or
2 disadvantages to this arrangement?

3 Mr. McMahon: This is an item which the Director and I
4 debated long and hard because at the time that happened I
5 was in charge of the National Foreign Assessments, and I did
6 not want it to happen only out of the symmetry of
7 management. The Director wanted to have it because he felt
8 that intelligence was so vital, so important that it should
9 not be left to one person to manage and control. And so by
10 having the NIOs separate under himself, he could ensure that
11 he could get a balanced view coming out of the Agency on one
12 hand, coming out of the rest of the Intelligence Community
13 and the NIOs on the other. And it was just his way of
14 assuring that all alternate views or competitive analysis,
15 as Senator Wallop referred to, bubbled to the top.

16 And from the end result, I have to say that it is
17 successful. In the duty of managing it, it remains very
18 difficult.

19 Senator Huddleston: In other words, it is working that
20 way.

21 Mr. McMahon: Yes, sir.

22 Senator Huddleston: Do you think whether it continues
23 to work that way will depend on who the Director might be
24 from time to time?

25 Mr. McMahon: No, I think it depends on how the National

1 Intelligence Officers interface with the analysts who are
2 basically doing their work for them.

3 The Director is a mechanism by charging the -- stating
4 the problem and then receiving the intelligence. He doesn't
5 get in there and manipulate the intelligence in this
6 process. And the NIOs, you must remember, Senator,
7 represent the entire Intelligence Community. So they bring
8 their input not only from CIA but also from the Army, Navy,
9 Air Force, DIA and State Department, and where their various
10 views come forth is at a National Foreign Intelligence
11 Board. When that estimate is considered by the Board, the
12 Director insists that all the principal managers of each
13 agency set forth his position, even though the estimate may
14 end up being slightly different. And he also directs that
15 alternate views be included in the estimate so that
16 policymakers can see that there are varying views, and if
17 there are minor issues, then they are taken as footnotes.

18 Senator Huddleston: And you are comfortable then with
19 the way it is working.

20 Mr. McMahon: I am extremely comfortable with the
21 integrity of our intelligence process today.

22 Senator Huddleston: Now, back again on the level that I
23 was discussing a moment ago, earlier this year we saw the
24 effort to support, to win public support to certain of our
25 Latin American policies, a press briefing in which a

1 Nicaraguan prisoner was supposed to verify what we had been
2 indicating was our intelligence on the situation. That
3 turned out to be something less than successful and
4 satisfactory.

5 I am just wondering after that experience what your
6 judgment is on the advantages or disadvantages of attempting
7 again to use certain intelligence to influence public
8 opinion.

9 Mr. McMahon: I think all intelligence has to influence
10 public position. That is indeed why we exist, in order to
11 make sure that the proper decisions can be made, and we pass
12 that intelligence to Congress so that they can in turn act
13 accordingly.

14 I think you will find inherent in any intelligence
15 organization a certain reluctance to take selective events
16 and publicize them. We would prefer to provide intelligence
17 and let the policymakers treat the intelligence as they see
18 fit.

19 Senator Huddleston: Sometimes you have some concern
20 about the manner in which it is used, I take it.

21 Mr. McMahon: Occasionally.

22 Senator Huddleston: Now, Mr. McMahon, yesterday in our
23 closed session we talked at some length about the
24 President's new executive order, and the area in which
25 Senator Wallop has already discussed to a degree of the

1 operations within the United States of the CIA. You
2 mentioned that you are still in the process of studying
3 that, determining where the responsibilities ought to be.

4 Are you working with the FBI in this area?

5 Mr. McMahon: Very much so. What we have done, Senator
6 Huddleston, is that we have drawn up procedures for
7 implementing the President's executive order, Order 12333,
8 and have done that in concert with the FBI. After the
9 Director and Judge Webster signed off jointly on those
10 procedures, we have forwarded them to the Attorney General
11 where they are being reviewed at the moment.

12 Senator Huddleston: Can we count on being informed
13 whenever intrusive techniques are used against Americans at
14 home, this Committee?

15 Mr. McMahon: I don't think CIA will ever be involved in
16 intrusive techniques against Americans here in the United
17 States --

18 Senator Huddleston: Well, my question was --

19 Mr. McMahon: And should there be a requirement to do
20 that, that would require the FBI to do it, it would probably
21 be done with a court warrant.

22 Senator Huddleston: My question was, if the CIA should
23 do it, would we be informed?

24 Mr. McMahon: You definitely would.

25 Senator Huddleston: Thank you, Mr. Chairman.

1 The Chairman: Senator Bentsen, do you have questions?

2 Senator Bentsen: I have no questions, Mr. Chairman.

3 The Chairman: Well, no other Senators being present
4 right now, I have a couple.

5 Has there been any understanding reached with the DCI or
6 other senior Administration officials about your duties and
7 responsibilities as Deputy Director?

8 Mr. McMahon: The Director certainly talked to me about
9 those duties and what his present desires are is that I
10 become an alter ego to him and be able to bring the
11 experience that I have both in the Community as well as in
12 CIA to him. We haven't divided up the pie, so to speak, as
13 to what is his and what is mine since as Director he is
14 responsible for everything, but I think I can be a great
15 deal of help to him, particularly in the Community, as well
16 as in operations and some of the analytical work.

17 The Chairman: Thank you.

18 What role do you intend to play in the day-to-day
19 management of CIA?

20 Mr. McMahon: The day-to-day management will principally
21 fall to an Executive Director who will be appointed to
22 replace me. Because of my background and interest, I think
23 I will keep a close eye on that operation, but the vastness
24 of that job requires that a person devote himself
25 principally to running the CIA on a day-to-day basis.

1 The Chairman: First let me ask you how are you getting
2 along with recruiting new people, particularly younger
3 people, to come in the CIA?

4 Mr. McMahon: We are doing very well, Mr. Chairman, and
5 I must say that I am gratified at the caliber and quality of
6 the recruits that we are bringing on board.

7 Our greatest problem is our own, and that is the time
8 that it takes to process people into the Agency. As you
9 know, the Agency has very stringent standards that are both
10 physical, mental as well as security standards, and that
11 processing often takes an inordinate amount of time, and as
12 a result, a number of the good people that we would like to
13 bring on board cannot wait that long and they go elsewhere,
14 and we lose about 20 percent of those that we want in that
15 fashion.

16 If I could give you a yardstick, I would say that for
17 every six people that we decide we want and we put them in
18 process, we bring one on board.

19 The Chairman: Are you replenishing the losses you went
20 through -- the level that I call the assessors, the people
21 that you lost during the period of the Church hearings who
22 did your assessing work of the intelligence submitted, are
23 you replenishing those forces?

24 Mr. McMahon: Yes, we are, but as can be expected, you
25 cannot bring people in, the volume of people you want to

1 bring in with the experience level, so you have to bring in
2 often young people who are well trained, well talented, but
3 they do not have the experience, and it will just be a
4 grooming process as they mature to bring them on line, so to
5 speak.

6 The Chairman: Well, that takes what, ten years to train
7 a person for that?

8 Mr. McMahon: No, it would not take that long.

9 A great deal of it depends on the individual's
10 experience in the country that we may have him working in,
11 if he has the language, if he has some experience traveling
12 there or living there. So it varies, and I don't think I
13 can give you a pat answer which would be accurate.

14 The Chairman: You are upgrading language training,
15 aren't you?

16 Mr. McMahon: Yes, sir, we are giving priority to that.
17 The academia let us down, Mr. Chairman. Years ago they
18 decided that it was not necessary to have a language for
19 graduate degrees, and as a result, a number of the students
20 coming to us have never had any languages. So we have to
21 bring them on board and train them ourselves, which is
22 another year or two out of their useful life, so to speak,
23 and their productive capacity.

24 The Chairman: Do you have the policy over there of
25 promoting from within so young people can say I'm going to

1 make this my life's work or my career because the ladder is
2 there and I can go up it?

3 Mr. McMahon: I think that is very much the case, and
4 the subject before you is a living example of that.

5 One thing that the Agency does do, it does bring people
6 in at lateral transfer so that we can bring talent in at
7 whatever level, and that is from supergrade on down, but the
8 bulk of our promotions are from within, sir.

9 The Chairman: Of course, as you know, the secret of any
10 successful organization are the people in it, and if you
11 have got a bunch of happy people, you have got a pretty good
12 job going. If they are not happy, it is a hell of a job.

13 Mr. McMahon: You are absolutely correct, Mr. Chairman.

14 The Chairman: President Reagan's executive order
15 requires new procedures for the collection, storage and
16 dissemination of information about American citizens. This
17 includes the use of intrusive methods like wiretapping
18 Americans abroad, searching the property of Americans
19 without a warrant, and infiltrating domestic organizations.

20 Now, will you make sure that this Committee is informed
21 of the new procedures before they are implemented?

22 Mr. McMahon: We have a commitment before this Committee
23 that the procedures will be given top the Committee and they
24 will not be implemented for at least seven days.

25 The Chairman: Do you think we need legislation to

1 remedy the intelligence family's problems with the FOIA?

2 Mr. McMahon: I certainly do, Mr. Chairman. It is one
3 of the most chilling legislations we have before us. I
4 think it does not serve the American people well, and it is
5 a tremendous impediment to intelligence organizations. It
6 has frightened away agents. We have had agents quit beause
7 of it. We have had would-be agents reluctant to join us,
8 and equally important, we have had a lot of friendly
9 governments who really did not want to do business with us
10 for fear that their information would end up in a release.

11 I would certainly urge this Committee and Congress as a
12 whole to give us the relief that we need from FOIA.

13 The Chairman: Thank you.

14 There was much discussion a while back about the use of
15 American journalists, clergy, missionaries, or academics,
16 and understandably, without their permission, they would
17 have some reluctance to volunteer.

18 Do you not think you could use these people with their
19 permission for the furtherance of intelligence?

20 Mr. McMahon: We certainly could use them. Journalists
21 are a tremendous wealth of information, and we would be more
22 than happy to have access to their knowledge. We presently
23 have a policy that forbids us to have any contract or
24 arrangement with accredited journalists in the United
25 States, or U.S. journalists abroad, and it is a commitment

1 which the Agency has made, and it is presently the
2 Director's policy to continue that.

3 The Chairman: Well, if any one of these categories that
4 I have mentioned, any personnel connected with the
5 categories wanted to volunteer information, you have the --

6 Mr. McMahon: We can always accept information
7 voluntarily, presuming that the person knows that they are
8 giving it to CIA and we know that they are voluntarily
9 giving it to us.

10 The Chairman: Have you ever encouraged the members of
11 Congress to make available to you whatever observations they
12 may make in other countries?

13 Mr. McMahon: Yes, sir, we have, and we find that is a
14 wealth of information. When Senators and Congressmen return
15 from abroad, they usually permit us to have a debriefing.
16 They tell us their observations and their feelings and the
17 environment which they see in those countries, and that is
18 very helpful to our analysts.

19 The Chairman: Well, thank you.

20 Senator Moynihan: Could I ask just one quick follow on
21 question?

22 The Chairman: Certainly.

23 Senator Moynihan: Just to be clear, Mr. Chairman, there
24 is a headquarters rule at CIA that if you do use the
25 services of American journalists, clergy, missionaries, that

1 it must be on a voluntary basis, and even so, the Director
2 has the right to waive that rule, isn't that the case?

3 Mr. McMahon: Yes, he does.

4 Senator Moynihan: With respect to journalists only.

5 Mr. McMahon: Yes, sir.

6 Senator Moynihan: And I believe Admiral Turner told
7 the -- made public the fact that he had issued three waivers
8 in his time but that in the event nothing had happened, it
9 was either a voluntary relationship or nothing.

10 Mr. McMahon: Yes, sir.

11 Senator Moynihan: You will continue to see that we are
12 informed when there are waivers.

13 Mr. McMahon: Yes, sir, we will.

14 Senator Moynihan: Fine. I mean, that is just -- I
15 think the press has a right to now that if there is such a
16 waiver, at least we know, and of course the individual
17 knows.

18 Mr. McMahon: You will know.

19 Senator Moynihan: Fine.

20 Mr. Chairman, could I say that there may be other
21 questions, but I believe Mr. McMahon today has been as open
22 with us in public as we could ever expect him to be. He was
23 singularly so yesterday in our closed hearing, and Mr. Biden
24 has arrived. I am sure there will be some more questions.

25 The Chairman: Do you have questions, Joe?

1 Senator Biden: No, I do not. I have had a chance to
2 meet at length with the nominee, and I am satisfied. At the
3 appropriate time, when we vote or just before we vote, I
4 would like to make a brief statement.

5 The Chairman: Thank you.

6 The question has been raised as to whether we should
7 vote for Mr. McMahon today or whether we should wait until
8 after the break. In addressing this question, I think that
9 Senators should bear in mind that the Committee has been
10 quite thorough on this nomination.

11 For example, we have taken the following actions with
12 regard to Mr. McMahon's nomination: devoted a full 30 days
13 to consideration of his nomination before scheduling
14 hearings; held a closed as well as a public hearing so that
15 all aspects of his background could be examined in detail --
16 Admiral Inman had only one public hearing -- assigned four
17 staff senior members to read his complete personnel file and
18 security file at the CIA. This is an unprecedented
19 precaution and has not been done before. Submitted both a
20 comprehensive Committee questionnaire and follow-up
21 questions from the staff, both of which have been responded
22 to in writing before the hearings were held -- this has not
23 been done in recent years -- and inquired of other
24 Committees, CRS and other agencies of government about Mr.
25 McMahon.

1 On the basis of this effort, we have not been able to
2 uncover any factual information which would reflect
3 adversely on Mr. McMahon. For these reasons, it seems to me
4 that we should proceed with the vote.

5 Well, I think this is about as many members as we are
6 going to have present. We do have a cloture vote coming up
7 some time, and before we vote I would like to remind our
8 members that Rule 5.6 of our Rules of Procedure requires
9 that "The Committee vote on the confirmation shall not be
10 sooner than 48 hours after the Committee has received
11 transcripts of the confirmation hearing unless the time limit
12 is waived by unanimous consent of the Committee."

13 Now, because we are faced with the Memorial Day Recess,
14 I ask unanimous consent that we suspend this rule for
15 purposes of the nomination of John McMahon.

16 ^{Houmbar}
16 Mr. McMahon: Mr. Chairman, reserving the right to
17 object -- and I will not object -- can I just ask one
18 detail, which is that it was the judgment of the Staff
19 Director, and I think a wise one, that just for the routine
20 of the matter we ask that there be an FBI background check
21 of Mr. McMahon as we do on all other appointees.

22 That has not arrived yet, but it will have arrived by
23 the time the nomination is taken up on the Floor.

24 The Chairman: Yes.

25 ^{for}
25 Mr. McMahon: Could we have that understanding?

1 Senator Huddleston: Mr. Chairman, may I inquire whether
2 or not it is the intention that the nomination be taken up
3 on the floor prior to the recess?

4 The Chairman: Oh, no, I do not think we possibly can.

5 Senator Huddleston: There is no way to do that.

6 The Chairman: No way. We have to get the report out.

7 It will be after the recess.

8 Senator Huddleston: Thank you, Mr. Chairman.

9 The Chairman: Well, we have proxies and enough men
10 here.

11 • If you would like to make a statement, Senator Biden?

12 Senator Biden: If I could?

13 I would like to make a few brief comments from my
14 prepared statement and ask that the entire statement be put
15 into the record.

16 The Chairman: That will be done.

17 [The prepared statement of Senator Biden follows:]

18 [COMMITTEE INSERT]

19

20

21

22

23

24

25

1 testimony to this Committee and wise counsel.

2 Of equal importance, however, was that your predecessor
3 had a heck of a relationship with this Committee, and I am
4 probably going to say something that I guess some would
5 suggest may be better left unsaid, but I said it to you in
6 the office and I feel obliged to say it publicly.

7 With some of us, at least, the utterances of Mr. Casey
8 are not always as -- we do not always leap at them to
9 embrace them as being the whole story when he makes them.
10 That may be a little unfair. Let's assume it is. The fact
11 remains in my humble opinion that that lingering doubt
12 exists among some of us on the Committee.

13 I and I believe others on this Committee who probably
14 wish I was not saying this used to really rely on Admiral
15 Inman because we knew that even though we did not think that
16 the Director was not telling us the truth, we sometimes
17 wondered whether we were getting the whole truth, or we
18 sometimes wondered whether or not it has been politicized.
19 But we knew if we got Inman up here afterwards, he would
20 never varnish it for us. If he disagreed with the
21 assessment made, he would be silent. You could always
22 tell -- at least I thought we could always tell.

23 You have a reputation within the Agency, to the extent
24 that anyone in your position is able to have a reputation
25 because of the nature of the job -- of being a guy who is a

1 tough Irishman, who is a true professional and a guy who is
2 not afraid to stand up within the organization and say hey,
3 that ain't the way to do it. We shouldn't go that way
4 and/or say, protect the Agency from potential of being
5 politicized.

6 My greatest fear is the politicizing of this Agency, not
7 only by this Administration but by future administrations.

8 So I will conclude by saying, as I told you in the
9 office, you have, I think, a heavy burden on you. Many of
10 us are going to look to you in ways which would not
11 ordinarily be looked to were the Director different and the
12 circumstances different, and we are counting on you to be
13 straight with us.

14 I for one -- and I suspect everyone here -- as long as
15 you are straight up candid with us, you will not have any
16 problem. But I promise you, if I believe you are not and
17 others believe you are not, we will try -- I will try very,
18 very hard to do whatever I can to make things difficult
19 because it is critically important that this Agency be the
20 best in the world, and it is critically important it be an
21 Agency that is as devoid as possible of politics. We want
22 raw assessments, not political judgments. And you have a
23 reputation for doing that. We are counting on you doing
24 that. The guy before you, in my opinion, did it, which puts
25 a higher burden on you, and I look forward to working with

1 you.

2 But I had to say that on the record since I told you
3 that in the office.

4 Mr. McMahon: Thank you.

5 Senator Bentsen: Mr. Chairman, if I might just comment,
6 there is an old saying in politics that a man's worst two
7 enemies are his predecessor and his successor.

8 Bobby Inman is a fine gentleman, but do not try to
9 pattern yourself after anyway else. I am impressed with
10 your credentials. You have the kind of administrative
11 background that I think is going to be very important in
12 this job. As long as you do what you believe is right for
13 your country, why, I think it is going to come out fine.

14 Mr. McMahon: Thank you, Senator Bentsen.

15 The Chairman: Senator Chafee?

16 Senator Chafee. Mr. Chairman, I had the pleasure of
17 meeting with Mr. McMahon both in my office and at the closed
18 hearing we had yesterday, so I am very familiar with the
19 issues, his background, and think he is an outstanding
20 candidate and we are fortunate to have him.

21 The Chairman: Just prior to taking the vote, I might,
22 in response to what Senator Biden said, Joe, I think if the
23 new Deputy Director will develop the habit that the Admiral
24 had of pulling up his socks when there was something being
25 said --

1 [General laughter.]

2 The Chairman: When you appear, you sit over here and
3 the witness, if he is getting off a little bit, just pull
4 your socks up.

5 Senator Biden: Or else slide your chair back. He used
6 to just sort of slide it back like this.

7 Mr. McMahon: If I may comment, Mr. Chairman, and also
8 to Senator Biden, I think when the Director hears or reads
9 of the perceptions that you have, he will certainly move to
10 allay your fears and correct that, and I think he will do
11 • that personally in any future testimony.

12 I will certainly be very sensitive to the comments of
13 the Committee and make sure that indeed you have the proper
14 and correct information.

15 The Chairman: I think the time has come to vote.

16 Will you call the roll, please?

17 Ms. Roberson: Senator Goldwater.

18 The Chairman: Aye.

19 Ms. Roberson: Senator Moynihan.

20 Senator Moynihan: Aye.

21 Ms. Roberson: Senator Garn.

22 The Chairman: Aye by proxy.

23 Ms. Roberson: Senator Chafee.

24 Senator Chafee: Aye.

25 Ms. Roberson: Senator Lugar.

1 The Chairman: Aye by proxy.
2 Ms. Roberson: Senator Wallop.
3 The Chairman: Aye by proxy.
4 Ms. Roberson: Senator Durenberger.
5 The Chairman: Aye by proxy.
6 Ms. Roberson: Senator Roth.
7 The Chairman: Aye by proxy.
8 Ms. Roberson: Senator Schmitt.
9 The Chairman: Aye by proxy.
10 Ms. Roberson: Senator Huddleston.
11 Senator Huddleston: Aye.
12 Ms. Roberson: Senator Biden.
13 Senator Biden: Aye.
14 Ms. Roberson: Senator Inouye.
15 The Chairman: Aye by proxy.
16 Ms. Roberson: Senator Jackson.
17 The Chairman: Aye by proxy.
18 Ms. Roberson: Senator Leahy.
19 The Chairman: Aye by proxy.
20 Ms. Roberson: Senator Bentsen.
21 Senator Bentsen: Aye.
22 Ms. Roberson: Unanimous.
23 The Chairman: It is the unanimous decision of the
24 Committee that you have been approved, and at the proper
25 time the floor will act, and I just want to add my

1 compliments.

2 Also I would like to include in those compliments my
3 observation that the intelligence family has made tremendous
4 strides in the last few years and contrary to many people, I
5 have great faith in the intelligence system of our country.
6 I think if we could change the attitude of some members of
7 the press and the media and Americans, we will get along
8 with the job.

9 Thank you. Congratulations.

10 Mr. McMahon: Thank you, Mr. Chairman, and I thank you
11 and the Committee for your confidence.

12 [Whereupon, at 11:50 o'clock a.m., the Committee
13 recessed subject to the call of the Chair.]

14

15

16

17

18

19

20

21

22

23

24

25